HISTORY

OF THE

Terrible Financial Panic

OF 1873.

GRAPHIC AND AUTHENTIC ACCOUNT

OF THE EVENT.

DOWNFALL OF THE MONEY KINGS.

PERILS OF THE STOCK EXCHANGE. PEN AND INK SKETCHES OF THE STRICKEN MOGULS OF WALL ST.

REVIEW OF PAST FINANCIAL PANICS.

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1873.

THE PANIC OF 1873.

"The New York Warehousing and Security Company has Suspended !"—That certainly was an announcement which, during ordinary times, would have created wide-spread consternation and alarm. But had not the community been startled by the Williamson forged railway bond transactions ? Had not Washington ring frauds, Brooklyn frauds, St. Louis post office assessments, and Philadelphia Parker bond charges already been published ? These prepared the general public for further revelations, making it impervious to shocks which, during ordinary times, would have spread dismay throughout a continent. Speculative men who looked forward to the dawning of a day which would make them happy manipulators of similar financial monstrosities—and consequently recipients of the golden harvest, for which both reputation and honor were bartered away—condemned these offences and crimes; simply, however, characterizing them as "mean tricks," "sharp games," "prettily-worked dodges," but always leaving unspoken such expressions necessary to properly designate the high crimes and misdemeanors of those who were sapping the foundation of national credit. New York City was reported heavily in debt; her income far short of current annual expenses; and still the rings ruled, and God alone knew what was in the background, or what yet to be revealed. Party bias, in many cases, warped the judgment of those who should have possessed discretion ; but the day was approaching when stealing Republicans or pilfering, defrauding Democrats could no longer crawl behind party shields for protection, or draw upon the coffers of either city or national treasury to check the devastating, sweeping ruin which gathered over the financial magnate as well as the most abject menial at the shrine of mammon. But the cool, calculating

capitalist who baited his hook for sure catches; the philosophic depositor who almost drew his life blood from an increasing balance in his favor; these men were brooding over occurrences which were simply exciting the envy and stimulating the greed of Fortune's hangers-on. They heard of bank defaulters, watered stocks, inflated securities, increasing taxation, and stood prepared at the first note of alarm, the first whisper of warning, to draw their funds and become sole controllers and guardians thereof, arguing logically that if their savings were to be invested in stocks by the banks it were better to personally superintend the venture and choose the mode and manner for themselves.

"KENYON, COX & COMPANY, 34 WALL STREET, HAVE FAILED!"—Only a "Wall street flutter!" temporary depression in the stock market—prominent brokerage house—no important significance! That was what the manipulating moguls of Wall street said, and their estimate was as Gospel truth to the innocent, confiding enquirer. Then Daniel Drew was blamed as the originator and prime cause of all the trouble; he had refused to cover an immense amount falling due on account of the Canada Southern Railway. Mr. Milton Courtright, the President, who had worked indefatigably in the cause of this railway project, and who gloried in being one of the few Americans who had founded a town named after himself on the Canadian frontier, fronting the river St. Clair—he, too, blamed Daniel Drew, whilst Mr. Cox announced that there was no foundation whatever for the rumor that Mr. Drew had connived at the suspension of the firm. Had that capitalist foreseen the trouble three weeks before he would have made sacrifices to avert it. And thus whilst the Canada Southern's paper, to the extent of over $2,000,000, had fallen, or was falling, due, and had been, or would be, in all probability, protested, Kenyon, Cox & Co. retired from public gaze to superintend the making up of their assets and liabilities. "It was unfortunate," so the money kings—whose fortresses had not yet been stormed—were charitable enough to remark.

"Daniel Drew caused all the trouble." Scalpers, speculators and floaters of inflated stock had nothing to do with it! "Only a flutter on Wall street! Let the game go on: shuffle, cut and deal; all will be right in a day or two!"

Thursday, the 18th of September, will long be remembered by those who stood within the walls of the Stock Exchange, or inhaled the musty atmosphere of the Gold Room. It was a prolonged period of terrible suspense, anxiety, madness; such an experience as might satisfy a lifetime's cravings for excitement.

The vultures of the market, who seldom appear until a panic promises to furnish the corses of wrecked bonds and securities, and who are foremost in withdrawing deposits and thereby hastening misfortune, these hovered about the various circles—talking, looking, promoting disaster and tribulation.

The shuffling mass of humanity at the Stock Exchange was uneasy; each acted as though on the defensive, as though convinced that his neighbor was unreliable and about to commit some heinous offense against the laws of the board and country; but the first call came, and the current of weakness was even then noticeable:

Erie, 55$\frac{3}{8}$; Pacific Mail, 42$\frac{1}{2}$; Lake Shore, 90$\frac{1}{2}$; Northwestern, 52$\frac{3}{4}$; Rock Island, 102$\frac{1}{4}$; Western-Union, 88$\frac{1}{2}$; Central, 99$\frac{1}{4}$ (ex dividended); St. Paul, 43$\frac{1}{4}$; Union Pacific, 23$\frac{3}{4}$; C., C. and I. C., 27; Ohio, 36$\frac{1}{4}$; Wabash, 56; Harlem, 126$\frac{1}{2}$; Panama, 112$\frac{1}{4}$.

Gradually fevered blood commenced to fire the very brains of those who screamed and howled as though Pandemonium and Babel had formed an alliance, as though a bond of union had been perfected, and high carnival was to be held in their honor. Men grasped one another wildly by the arms; opposing elements jostled and screamed; white hats and memoranda books were slashed through the air by muscles not accountable for their actions; burning brains were cheered by the momentary soother of worldly ills—liquor, and as stocks fell so fell, the drooping, wearied spirits of those who had bulled and struggled in vain.

"It's nothing but an eternal swindle, by the great God of Canaan," shouted a long, lank, pale-faced operator, edging toward the presiding officer's rostrum as though desirous of awakening that placid looking dignitary's sympathies, or testing the question as to whether or not he was capable of sympathy in this particular grievance. But the presiding officer looked up from his newspaper, over his spectacles, and then continued his former occupation; therefore what

the "eternal swindle" so zealously denounced by this excited individual was, remained shrouded in mystery.

Shortly after twelve, the presiding officer arose, holding aloft a small slip of paper, and, bringing down his gavel with a vehement jerk, made this announcement: "THE FIRM OF JAY COOKE & CO. HAVE SUSPENDED!" The wrinkles on many a brow grew deeper; there was a sullen groan, then a prolonged yelling, mixed with cheers; there was whispering of white lips, and a sorrowful, frightened shaking of heads, whilst a score of panic-stricken brokers started towards the once famous banking establishment. In their mad hurry, these stumbled over grimy looking shoe-blacks and persistent news boys, who were announcing, in terms more truthful than grammatical or elegant, "The Cooke's bank are busted!" Even the misanthropic denouncer of speculation of any kind whatever, stalked towards Broad and Wall streets, to hear and see for himself; but the din of tongues, the variety of opinions, were certainly more interesting than edifying.

Around the Exchange there was an extra platoon of police; messengers hurried to and fro, telegraph officials, reporters, brokers, speculators, pick-pockets, all were in one vast family blent.

"Any more failures?" asked excited voices.

"Not yet—hold on for an hour or so," was the response, accompanied by a knowing wink, the speaker being about as well posted regarding financial probabilities on Wall street, as the King of the Cannibal Islands. Still it was safe to venture a prophetic word or two. It was also remarkable to observe how many men were publishing the fact that they "knew it would be so"; no doubt on the principle, however, of men extemporising homilies and predictions, after the soundness of their philosophy had been tested by actual occurrence. Before the office of Jay Cooke and Co., a crowd had gathered as though anticipating an execution or a post mortem. They peered into the windows, gazed at the massive doors, and criticised things they could see, and many they couldn't see, with a gusto as earnest as it was vulgar and annoying.

"Say, Jim—I guess he's busted rich." "How are you, Northern Pacific?" "They've gone up in a balloon." "Let's go to Jay Cooke's funeral."

These were entertaining snatches of wit one was disgusted by, as he elbowed his way through the surging congregation. Handcuffs would not have proved amiss; in fact, a few of those who gathered in knots, presented countenances which would have furfurnished evidence sufficiently strong to warrant a jury in convicting them of any offence in the criminal calendar. The managing partner, Mr. Fanestock, was in his office, calmly looking over documents, giving orders, and generally supervising affairs; he answered all enquiries with courtesy—still it could be seen that the blow told heavily upon and disturbed his equanimity. His explanations were short, but pointed; the Northern Pacific had secured large advances—nearly, if not over, ten million dollars; the Philadelphia house had also made large advances, and the Washington and Philadelphia firms had closed, because of having forwarded their funds in support of the great Metropolitan institution. For nearly two weeks, he had anticipated a collapse; but looked forward to salvation in the arrival of promised funds, which did not come. The Government would lose nothing, and the placing of the syndicates, $300,000,000, would not be affected, as over $100,000,000 had already been disposed of. The interest on the Northern Pacific Bonds had been carefully provided and covered, and nearly the entire $40,000,000 seven per cent. gold loan had been sold. So the news-mongers carried back to the Stock Exchange such gossip as could be heard upon the streets, and this coupled with the usual proportion of romance, added fuel to fire. Newsboys howled exultingly, announcing the failure of Henry Clews & Co. and a dozen banks, which were in reality meeting all demands as rapidly as possible. Stocks at the Exchange were weakening, and with that weakening, the hopes of hundreds were blighted. Between one and two o'clock, quotations made men tremble; the bears had it all their own way: — Pacific Mail was down to 37; Lake Shore, 87¾; Northwestern, 49½; Rock Island, 93; Western Union, 78½, (ten per cent. decline since the opening); Central, 97⅛; St. Paul, 41; Union Pacific, 21; C., C. & I. C., 24½; Ohio, 34; Wabash, 53½.

"This beats the Chicago fire, by thunder," exclaimed a heavy operator, speaking to no one in particular—while another added—"If

poor Jim Fisk was here now, he'd make it rattle for some of the boys—black Friday was nothing to this."

But Vice-President Wheelock had something further to announce. He tapped his gavel lightly, then supplemented this action by bringing it down on the desk, as though desirous of demolishing that unoffending article of furniture. The crowd listened: — "ROBINSON & SUYDAM, 13 BROAD STREET, HAVE SUSPENDED"!

That was enough; more yells, wild gestures, jostling — and then sandwiching their transactions between "Ya-hoos"—the brokers huddled together, intent upon the game which was being played. It was reported that, Gould, Drew and Tracy were bearing Northwestern, Wabash, and Rock Island respectively; that they had entered into a combination, and were reaping rich returns; but this was the statement of men reckless with regard to their assertions, and competent to manufacture anything calculated to suit the occasion. Then there was a sharp bang! and the Vice-President's gavel sounded out the knell of another departed mogul: — RICHARD SCHELL IS UNABLE TO MEET HIS ENGAGEMENTS".

Another uproar! even the ladies in the galleries waved their handerchiefs and seemed desirous of mingling their sweet voices with the tempestuous roar beneath; mad gesticulations, torrents of words with no visible connection, yells which were sufficient to crack the blood vessels of giants, resounded through the hall. "Good God, who next;" "Hurrah for Vanderbilt's boys;" "Tell us about some more;" "We're all gone up" — these were some of the exclamatory criticisms and phrenzied babblings heard during intermissions of the wild confusion and chaos which existed. Then the gong rolled out its warning to close. There were dismal faces noticeable; faces which had entered in the morning exultant over the successful issue of a carefully matured scheme, nipped suddenly in the bud by the crushing effect of so many failures. There were pale, hollow cheeks, burning eyes and languid legs amid those who passed out into the air, to join the motley crew which gathered there to "see how the boys looked."

"This is Thursday, to morrow will be another black Friday," remarked an old hand at the business, as he elbowed his way through the assemblage, and followed the example of scores by going to

his office, forgetful that the only cheer by which the inner man had been regaled during the entire day comprised liquid luxuries, tenderly dispensed at Scheidler's or Delmonico's. But the day's bill of fare had been a hard one, indeed. No man felt like appeasing his appetite until he knew on which side his bread had been buttered.

"They" said Clews had made two million dollars; Jay Gould had raked in his millions,—in fact, every one had made money—yet the bank accounts of many so considered refused to carry the romance into stern reality.

At the Fifth Avenue Hotel great crowds of interested capitalists and speculators mingled with scores of curiosity seekers and listeners, who, without the most distant idea that they would ever be in a position to speculate, drew sufficient unction from simply listening to the nonchalant manner in which the words "millions" or "thousands" were uttered by stock exchange representatives. Men there were there present who gloated over the downfall of a wealthy banker—the "bloated bondholder," as they had been taught to term him; there were those, too, who were consoled in their poverty by knowing that countless brains ached that night, because they strove to be rich. All was excitement and bustle. Reports were circulated that the Pennsylvania Railroad had failed; that Opdyke & Co. would not open in the morning; that the Secretary of the Treasury was privately aiding government supporters; that Drexel, Morgan & Co. had suspended their Philadelphia, London, Paris and New York houses—that, in fact, nearly every bank and banker in the city was implicated in squandering and loaning the funds of respective institutions, and, using the words of many, "everything had gone to smash." Still there was a humorous side to the evening's deliberations, and there were those who, having nothing to lose, and believing in drawing enjoyment from the sufferings of interested ones, arranged schemes to still further disturb their equanimity. Hearing a broker say that the fall of Vermilye would ruin him, a confederate would be sent out, to return again with the news "from good authority," that Vermilye would not open on the morrow. If he were willing to take a pleasant view of the prospect, and offer some inducement for a movement of the barkeeper's arms,

his mind was relieved by an acknowledgment of the hoax. Thus passed the gloomy night of the 18th. What would the approaching day bring forth ?

FRIDAY, THE 19TH OF SEPTEMBER.—The moneyed moguls of Wall and Broad streets were up betimes ; but what a dreary looking morn ! The clouds promised rain ! Workmen were hurrying to their daily toil ; the rattle of heavy wagons sounded upon the pavement with monotonous frequency ; yelping newsboys made a clean breast of the preceding day's terrible record, and many a disheartened victim drew back from his window to ponder over the past and make resolves for the future. "One more strike, and, thank God, I will get out of this sort of business."

But, unfortunately, the "strike" that satisfies a speculator seldom occurs.

Umbrellas, India-rubber overcoats, dishevelled hair and neglected wardrobes were noticeable features in the vicinity of Wall and Broad streets by nine o'clock. Men talked over the disasters of yesterday ; they were apprehensive of to-day. The almost crushing anxiety of Thursday, together with a restless night and a gloomy, saddening morning, unnerved and weakened otherwise sturdy, unflinching minds.

Down came the rain, and through it hurried knots of anxious looking men, drenched to the skin ; they thought of nothing save bonds, stocks and gold, and how to carry their business through the day. Few were in their offices earlier than Henry Clews, Rufus Hatch, and leading spirits whose opinions were Gospel, and whose credit above suspicion. When asked for his opinion regarding the crisis, Mr. Hatch had said: "I know nothing about anybody's business but my own." Whilst Mr. Clews, in speaking of the Jay Cooke & Co. failure, said : "It has been generally known that their paper has not been worth its face value for some time past. Rumors of difficulty have been heard for some time. Well posted financiers were not taken greatly by surprise. It is also said that some of their wealthiest patrons have lately withdrawn from the firm." With regard to future prospects, Mr. Clews thought that there "might be failures among the speculators or among the small

houses that are carrying their stocks for them. No reason appeared why solid houses should not weather the storm."

"All men think all men mortals but themselves!"

The Stock Exchange was crowded; screaming messengers, howling members, boisterous operators! English advices chronicled American securities active, and, as the messages were received, men who were not responsible for their actions became almost desperate. There was the usual rushing to and fro; the usual retorts of "spike that needle-gun," when a bear pushed his grizzly front too far forward, or some other as equally elegant expression; and then there was a gavel-sound from the presiding officer which held these uneasy spirits whilst it was announced that White, Defrietas and Rathborne had suspended!

"Good God, there will be no one left to suspend soon," screamed a dapper looking little man who kept himself in such a fever of perspiration by running from circle to circle that that, in conjunction with the drenching received outside, promised to contribute a mellowing moisture to his emotions during the entire day.

Then Messrs. Opdyke & Co. sent in a denial of their having suspended, and the "Boys" howled and cheered, stocks fluctuated, the visitor's gallery fluttered, operators walked as fast as they could to Delmonico's or some adjacent restaurant, took a little to keep out the wet, and then plunged again into the mad scenes of stock revelry. Others strutted about with their hands in their pockets, calmly predicting who next would suspend. As they usually mentioned nearly every prominent firm on Wall, Broad, and Nassau streets, the probabilities of establishing reputations for shrewdness and foresight were not so remote as the uninitiated might imagine.

Stocks gradually declined—the panic-stricken bulls snarling and hopping about like corn in a skillet. At eleven o'clock, Pacific Mail sold at $32\frac{1}{2}$; Lake Shore, 80; Northwestern, 47; Rock Island, 92; Western Union, $69\frac{1}{2}$; St. Paul, 35; Union Pacific, 18; C., C. & I. C., 20; Ohio, $29\frac{3}{4}$; Wabash, 44; Harlem, 114; Panama, 100; Central, 91; Erie, 53; Hannibal & St. Joseph, 28.

Meanwhile, at the Fourth National Bank, an excited crowd had gathered; they pushed and jostled from Nassau far down Pine street; they perspired and wrangled, and got drenched; the rain

kept dropping, dropping, dropping, and it was evident that the last check holder in the crowd would be several hours older before he could possibly reach the presence of teller or cashier. The sharp ones sold their places; in fact, many who had no interest whatever in the solvency or failure of the Bank, joined the squeezing congregation, and afterwards "sold out" positions to those who held large claims.

At the Union Trust Company's Bank, a similar scene was in course of enactment. Those who could "get in out of the wet" did so, but the serpentine trail of humanity gradually elongated, until it reached a respectable distance down Rector street. Now it was not pleasant to be in that crowd; while a man was keeping both hands on his pockets, a neighboring umbrella was shedding panic tears down his coat collar, transforming any vacuums discovered in its course into mimic bathing tubs; others were so intent upon working themselves forward, that a man desirous of being martyred in the cause of the panic, might have accomplished this purpose without any extraordinary effort. If an unfortunate fellow ran up his umbrella, the pressure on either side would either crack the whalebone before it could expand, or a puffing, panting, well-fed individual would monopolize nearly two-thirds of the covering, squirt tobacco juice on the shoulder of his companion's best broadcloth, and talk a streak of baritone into his ear, which, whilst it did not deafen, certainly worried him very much. In fact, it was a queer, but an interesting assemblage. It was a rich crowd, too—very rich—if one took the word of each without an unusual amount of discount. There were men there who worked for $20 per week, who talked of a mysterious pile of greenbacks belonging to them—and which, break the bank or not, they were bound to draw,—"not large, you know, but I've worked hard, by Jove, for it—well, about $17,000! You bet, I'm not going to leave without it—rain or no rain; better to get wet and stand up to one's mouth in water, than starve, eh?" That young man drew $400 for his employer when he did get in, and had sold his place four times for $80. It was a quarrelsome crowd too; Captain Lowry and a squad of policemen said so, and what a captain of police says must be received for what it is worth; but those men in that serpentine assemblage did pass

angry words; it was from ten to twenty dollars made, to even gain a march of one, towards the great Paradise of Mammon; and who wouldn't fight for twenty dollars worth of closer proximity during a rapidly spreading panic? Only a dead man could have resisted the temptation. Then it was passed down the line; yes, away down, even among the Rector street portion of those godless customers—that the checks of the Union Trust had been refused at the Manhattan; that the former institution had drawn $700,000, and no further checks would be honored until further deposits were made. Now that crowd anathematised President Calhoun; they really used blasphemous language while referring to Cashier Lane, and thoroughly deserved the increased droppings of the rain which stuck to them like the best friend in the world. But money was procured; the Clearing House came to the Union Trust's aid, and the grinning faces which emerged from the bank, hour after hour, would have been worth a few millions for Barnum's "What d'ye call it." Those people put that money in their socks or stockings, and stalked about next day, six inches taller! The men who made an upper sole of their greenbacks and walked on them until the unfortunate currency must have experienced a realistic sense of its thorough depreciation—these men were giving existence to that which in their hearts many of them desired to dispel; millions of dollars were being locked up as fast as issued, and the confidence of the public having been rudely shaken by defaulters, rings and money-grabbers, a great degree of allowance must be made for those who, in an evil moment, became the victims of a panic fever; they knew not who to confide in, and self-esteem naturally suggested personal guardianship of funds, in preference to allowing bank secretaries or bank railway rings to control such manipulation. President Frothingham, of the Union Trust, was in Europe, but expected home every day; the controlling duties devolved upon the Vice President, Augustus Schell, who certainly did all in his power to save the reputation of the Bank. It was estimated that during the run fully $250,000 in cash was delivered to customers by the teller, in addition to the $700,000 drawn by check from the Manhattan bank—aggregating, thus, nearly $1,000,000. But the storm cloud was gathering, ready to burst over this, one of New York's most prominent monetary institutions.

Thus, while men rushed wildly from point to point—first to the Fourth National, retailing something that occurred at the Union Trust, then to the Stock Exchange, bulging with what had occurred at both banks, and back again to the banks to empty a budget of romance as to matters transpiring at the Exchange—the excitement was steadily maintained. Meanwhile the gale had become a perfect hurricane; the palatial offices of New York's magnates were swarming with check holders and check makers, whilst a few hovered between leaving their money where it was or at once making an effort to gain possession of it.

The Stock Exchange and Gold Room had by this time been rendered doubly wild by the announcement of still further failures. In the latter men danced and skipped as though practising for a prize ballet scene; one member, who was evidently weary of having allowed his "bullish" propensities to mislead him, declared there was "no bottom in the market for a man to drop and stay until the panic was over, and no top to sit on until the struggle ended! Talk of getting on top of this market—whew!" Shortly after eleven o'clock gold rose to $1.13½, in consequence, to a great extent, of the following message from the President, which he slowly read to the astounded assemblage:—

"Owing to the widespread want of confidence caused by the failure of well known firms, and to advances made by us to railroad companies, upon which we cannot immediately realize, we are unable to meet the heavy demand upon us, and are compelled to announce our suspension. Although we have no unsettled business with your board, we take the opportunity of thus announcing the fact.

Yours respectfully,

FISK & HATCH."

Then followed, at intermissions, announcements of Kidder & Co.'s and other failures, the market ultimately breaking again, and at 2 o'clock gold was quoted at 1.12 @ 1.12¾, closing at 1.11¾. The galleries of the Stock Exchange were literally jammed, spectators keeping up a running commentary upon transactions beneath. When Vice President Mitchell announced the suspension of Eugene T. Jackson there was excitement, but when that of FISK & HATCH,

men who had been considered as sound as the Bank of England, was announced, confusion seemed worse confounded. "Chesapeake & Ohio has done that," screamed one. "Rufus does not know anything about anyone's business but his own," chimed in another, alluding to a short remark made by Mr. Hatch the preceding day. "Well, give us a few more and we'll close up the street," roared a third; but ere there was time for further remarks, the gavel sounded, and Vice President Wheelock, who had just entered, read off nearly a dozen more failures—the brokers "oh"-ing and hallooing as though desirous of effacing from memory the fact that such disastrous news had been imparted. In the afternoon the Vice President announced still further failures, closing the black record with the names of E. D. Randolph & Co. and Little & Co. In the mad excitement of the hour many attributed to the President of the United States misfortunes which, to a great extent, themselves were responsible for; but apart from that question, the ruined multitude who had founded their faith upon keeping the public in a good humor and holding their confidence until stocks were worth what they pretended to be, now saw that the game was played—they heard that heavy runs were being made upon the banks, they knew that nearly two score of those who were considered solid bankers and brokers had gone down, and knew not what way to look for financial salvation. Naturally they thought of the Treasury at Washington, and were solaced by rumors that the President and Secretary of the Treasury would be in the city next evening. But whilst a few were sufficiently calm to discuss the situation, a vast majority found more pleasurable amusement, more infinite relief, in howling at the top of their voices, shoving telegraph operators and messengers out of their way, spoiling the contour of a new hat or making reckless dips into stock transactions. Many argued, too, that this was simply a stock panic; that south and west of New York no one would be affected; that the crops were large, the harvest bounteous, and trouble such as this could not last long. But wide-spread apprehension would counteract much of the benefits to be derived from a rich agricultural yield, for money would be locked up, the avenues of trade clogged and the movement of the crops retarded. To add to the general dismay, telegrams from various points recorded the suspension of

distant banking institutions, and men were inclined to believe this storm more serious than they were at first willing to admit.

Gradually the haggard denizens of the Stock Exchange disappeared — careworn, anxious, desperate — those who felt that the labor of years had been undone, and those who were stripped in a day of thousands, which time alone had promised to quadruple — all dragged themselves from the hall and into the rain which pattered sharply upon the pavements, as it had done in the morning. The rain lasted longer than margins, that day, for some of them.

When the transactions closed Harlem had fallen 30 ℔ cent. to 90; Lake Shore, 4 ℔ cent. to 83; Wabash, 6½ ℔ cent. to 38½; Northwestern (common), 8¼ ℔ cent. to 40¼; Rock Island, 9 ℔ cent. to 38; St. Paul, 9 ℔ cent. to 30; Western Union, 11 ℔ cent. to 67; Pacific Mail, 7 ℔ cent. to 32½; Union Pacific, 6½ ℔ cent. to 16; C., C. and I. C., 4 ℔ cent. to 19½; Ohio, 5½ ℔ cent. to 26⅝; and New York Central, 4 ℔ cent. to 91.

It might be entertaining at this point to summarize the various railways whose stocks and interests had hastened the panic:

The Missouri, Kansas & Texas, of which it was said that a considerable amount of bonds were held as collateral by the New York Warehouse & Security Company, which suspended immediately after the failure of Messrs. Francis Skiddy and Sheppard Gandy. We are unable to learn that any of the direct liabilities of the railroad had been protested, and as to interest on its mortgage bonds, which are mostly held abroad, presume it will be promptly met. The road had been successfully completed through to a connection with Galveston, and is earning at the rate of about $4,000,000 a year.

The Canada Southern Railway, whose paper was protested on account of the financial difficulties of a highly respectable firm of bankers—Messrs Kenyon, Cox & Co., in which firm Mr. Daniel Drew was a general partner—and who were endorsers on the notes, has been looked upon from its beginning as one of the most promising enterprises ever undertaken. The protest of this paper was generally regarded as being entirely unnecessary, so far as the road is concerned, as its directors embrace a number of the most prominent and wealthy railroad men, and its liabilities will probably be

met in a short time. Much of the construction "paper" was held or endorsed by Daniel Drew, John F. Tracy, Kenyon, Cox, Milton Courthright, and other well known capitalists, who are also directors of the company. The bonds of the company are secured on a completed road between Buffalo and Detroit and Toledo, which will now be open for traffic very shortly, and at the rate they are issued (about $30,000 per mile) will in all probability be worth par in the end, if they are held for a while till the road can be put in paying operation. This railroad extends from Fort Erie, Canada, to Amherstburg, Canada (on the Detroit River), a distance of 229 miles, with branches from St. Thomas to Mooretown, and from Fort Erie to the Suspension Bridge, 95 miles, making a total of 324 miles. The directors are Milton Courtright, William L. Scott, of Erie, Penn.; Sidney Dillon, Daniel Drew, Benjamin F. Ham, John Ross, of New York; William A. Thomson, of Queenstown, Canada; John F. Tracy, of Chicago; and O. S. Chapman, of Canton, Mass. Including January interest of about $300,000 currency, the Canada Southern has liabilities of about $2,500,000, and owns $3,350,000 first mortgage bonds; namely, $1,000,000 Canada Southern firsts, $1.000,000 Chicago and Canada Southern firsts, $600,000 Erie and Niagara first (and only) mortgage, and $750,000 Detroit River Junction and Bridge Company's.

The Northern Pacific Railroad, whose bonds are widely held throughout the country, loses nothing by the failure of Messrs. Jay Cooke & Co. for advances of money. The road is completed from Lake Superior to the upper Missouri River, about 450 miles, and on the Pacific Division, nearly 100 miles from Columbia to Puget Sound, and both of these divisions can be worked with a considerable traffic without the completion of the road across the continent. Then as to the land grant, which has been regarded from the beginning as the great security of the Northern Pacific bonds, the company has already earned about 10,000,000 acres which do not lapse by a non-completion of the balance of the road. The total amount of bonds outstanding is about $25,000,000 of 7-30 first mortgage gold bonds. The next interest falls due in January, when in all probability it will be promptly met, and the principal of these bonds ought to be abundantly secured by the lands, a great portion of which are unquestionably of the best quality.

THE CHESAPEAKE & OHIO RAILROAD bondholders, from the best accounts obtainable, have a magnificent railroad property as the basis of their security, and one which has cost a far greater average per mile than the total of the first and second mortgages. Messrs. Fisk & Hatch, the financial agents, were known as among the most careful and honorable of all the houses which negotiate loans in this market, and their temporary suspension was only caused by the general spread of distrust, and the calling in of loans on railroad bonds, which came so rapidly and so universally after the failure of Jay Cooke & Co., that it was impossible to provide for it. The Chesapeake & Ohio road has just been completed, is already doing a handsome business, and no holder of either the first or second mortgages would do otherwise than sacrifice his property by attempting to sell the bonds for some time to come. The Central Pacific Railroad had just declared a dividend of 3 per cent. out of earnings, on its stock of $55,000,000.

THE NEW YORK & OSWEGO MIDLAND RAILROAD.—The first mortgage bonds of this company are about $8,000,000, and the second mortgage $4,000,000, secured on a line of road which has cost nearly twice the total amount of the bonds.

From various sources we compile brief sketches of those who figured prominently in the disasters of the week :

JAY COOKE was born at Portland, now Sandusky, (Ohio,) in 1821, being consequently about fifty-two years of age. He was formerly employed by E. W. Clarke & Co., bankers, of Philadelphia, and afterwards admitted as a partner. He contributed monetary articles to the *Daily Chronicle*, and retired from partnership in the Clarke firm about 1858, engaging in railroad and stock negotiations ; but, in January, 1861, the firm of Jay Cooke & Co. was formed, Mr. Moorehead, Mr. Cooke's brother-in-law, being the partner. The first prominent operation was in securing subscribers to the government loan, in the spring of that year. Their next was the placing the Pennsylvania war loan at par. These successful negotiations attracted the attention of Secretary Chase, and having failed to secure adequate aid from the associated banks of the country, he sent for Jay Cooke, and acting upon the suggestions of the young financier, he determined to try the experiment of a

popular loan, and appointed four hundred special agents, in the different cities and large towns, to aid him in negotiating it. Jay Cooke & Co. were selected as the Philadelphia agents. They organized a system which resulted in the popularization of the loan, and in a very short time secured the hearty co-operation of the people. When the funds were called in it was found that only $30,000,000 had been subscribed, but of this sum one-third was returned by the Philadelphia agents. The wants of the Treasury were not supplied, and the expenses of the country, then in the midst of war, were increasing at a rapid rate. Secretary Chase again called Jay Cooke and other able financiers to his aid, and with the promise of the cheerful co-operation of the moneyed institutions which they represented, he placed the negotiation of the five hundred millions of five-twenty bonds just authorized by Congress in the hands of Jay Cooke, who at once organized his plans for the sale of the loan. As has been remarked by one of his biographers, the risks were frightful, the compensation, if no sales were made, nothing; if they were effected, five-eights of one per cent. on the amount sold, which was to cover all commissions to sub-agents, advertising, correspondence, postage, clerk hire, express fees, and remuneration for labor and superintendence. The government assumed no risk, and if the loan failed to take with the people, the advertising and other expenses alone would swallow up the entire fortune of Mr. Cooke and his partners. The commissions received by European bankers negotiating for such a loan, themselves assuming no risks, are from four to eight per cent., and there was not another banking house in the United States which would have taken it on the terms accepted by Mr. Cooke; but his country was engaged in a deadly strife for the preservation of its liberties; it needed money in vast sums to conduct this gigantic struggle successfully, and if it did not have it promptly the great sacrifices already made would prove in vain. Some one possessing an ample fortune must have patriotism enough to take the risk, great as it was, and, if it must be so, ruin himself in the effort to save his country. In the Secretary's tendering him this position, first and unhesitatingly, there seemed to be a call of Divine Providence on him to undertake this great responsibility. He accepted it as a Christian and a patriot, and it is no more than truth to say that in

the history of the war no enterprise was undertaken from a higher motive, or from a loftier sense of duty and patriotism. The success that crowned the unceasing efforts of the banker was wonderful. So skillfully were the multifarious details of the business managed that every man, woman and child, however poor, how far soever removed from a great banking city or other mart of trade, was enabled to aid in furthering the good work. He had an agent in every village, and a standing advertisement in every newspaper, and the expense was enormous. His partners became anxious, but Jay Cooke never lost heart, never once allowed a doubt of his ultimate success to enter his mind. More than $500,000 had been expended by the cool-headed enthusiast before the returns began to come in; but when they did come it was with such a rush that the clerks of the house were kept busy day and night for days and days together in entering the receipts, and towards the last it became necessary to announce that no more bonds could be sold after a certain day and hour. Even after all the bonds—$500,000,000 worth—had been taken, the money continued to pour in, and Mr. Cooke was forced to issue, and Congress to legalize $14,000,000 more. Great as was the success of this—the greatest operation of its kind on record—it is said that Jay Cooke's immediate pecuniary profit was very small. Through the close economy of Secretary Chase, who, when bonds were purchased directly from the Treasury, would allow the agent no commission, Mr. Cooke received compensation only for the sale of $363,000,000, notwithstanding the fact that a successful placing of the whole loan of $514,000,000 was due entirely to him. After the establishment of the national banking system, Secretary Chase tried the experiment of a floating 5 per cent. 10-40 loan without the aid of his Philadelphia agent; but the attempt having proved a failure, he issued the 7-30 three-year bonds, the interest payable in currency, and the bonds convertible at maturity into 5-20 six per cent. bonds, interest payable in gold. The State Banks were making a strong fight against the new system, the gold value of the currency was rapidly decreasing, the Government was pinched for money to carry on the great struggle which now—1864—seemed no nearer the end than in 1862, and Mr. Chase resigned the portfolio. Gold bounded

quickly from 88 to 185, and a crisis seemed impending. In the hope of improving the condition of affairs, and of re-establishing confidence in the Government's ability, Mr. Fessenden, the new Secretary of the Treasury, applied to Jay Cooke for aid. The call was quickly responded to, and with full power to act, Mr. Cooke once more set the machinery of his well-tried system in motion. Not only did he re-organize his army of sub-agents, and flood the country with advertisements of the 7-30 bonds; he employed skillful writers to demonstrate the advantages of investing in Government securities, and under his eye and at his direction, Sam Wilkeson wrote the celebrated pamphlet, "A National Debt a National Blessing," a financial paradox that not only attracted the attention of the world, but aided very materially in supplementing the more prosy advertisements, and in bringing in thousands of eager investors with their millions of cash. He extended the sale of the bonds to Europe, and in 1865 the capitalists of that country held no less than $200,000,000 of them, an amount subsequently increased more than one hundred per cent. Within one year $830,000,000 of the 7-30 bonds had been placed, the armies of the republic had been comfortably fed and clothed and splendidly armed, and the war had been brought to an end with the integrity of the Government intact. Mr. Cooke has been engaged since the close of the war in dealing in Government securities and in negotiating loans for great corporate enterprises. He has been for a long time largely interested in the Northern Pacific Railroad. The different branches of his house in New York, Philadelphia, Washington and London, in which latter the Hon. Hugh McCulloch, late Secretary of the Treasury, and other financiers are interested, were all, up to a few days ago, looked upon as being too well ballasted to be shaken by the strongest monetary convulsion.

Jay Cooke, to whom we thus refer at length, and who may be termed a pioneer of Railway and Government Bond floaters, has always been a liberal man. During the war, he was reported to have contributed at various times to the recruiting fund, and to the Sanitary and Christian Commission, nearly $500,000. His hospitality is unbounded, and at his beautiful summer house on Lake Superior, and his elegant villa at Chelton Hills, on the outskirts of Philadelphia,

he has entertained in princely style, nearly all the celebrities who have figured in this country for several years past.

Fisk & Hatch have been associated with Jay Cooke & Co., in the popular mind, in strength and integrity, since the breaking out of the war. Originally clerks with a prominent banking firm, they embarked in a safe and lucrative banking business on a comparatively small scale. Their business and operations increased rapidly, and when the Government made application for loans, the house was favored with large orders, which they executed well. In the well-known 7-30 and 5-20 loans they were very prominent, and shared the honors and the profits of the negotiations with Jay Cooke & Co. Still later, they were identified with the construction and development of the powerful Central Pacific Railroad, and subsequently, with the Chesapeake & Ohio Railroad. This road, it is believed, was the cause of their failure. It promised very favorably, and when Fisk & Hatch became its fiscal agents, its credit and success were believed to be assured beyond peradventure. The stringency in the money market and the distrust of new enterprises made it difficult to negotiate the bonds, and the firm found themselves unable to obtain the advances which they had made to the Company. The failure of Jay Cooke & Co. precipitated a crisis which they were unable to meet, and the result was their suspension. Fisk & Hatch have a national reputation for honor and liberality.

E. D. Randolph & Co., a Philadelphia banking firm of considerable prominence, was the most conspicuous failure after that of Fisk & Hatch. The house did a large speculative business for Philadelphia, and indeed for Pennsylvania as well. They were supposed to be the largest dealers in the stock of the Philadelphia and Reading Railroad in this market. They were also supposed to be doing business for Thomas A. Scott, J. Edgar Thomson, and the Pennsylvania Company. E. D. Randolph was a son-in-law of Thomas A. Scott. They held out till near the close of Friday, the 19th, and hoped to ride the storm, but afterwards saw it would have been better to have closed up in the morning, as the cost of carrying stocks for a day would have been saved.

The cause of their trouble was a general depreciation of stocks and a run on their house. They did the largest out-of-town business of the city houses, and were unable to call in their margins.

WHITE, DEFREITAS & RATHBONE were long of stocks at high prices. The decline in the market forced them to succumb. They are stock-brokers, buying and selling on commission exclusively. They suspended a few minutes before three on Thursday, but the fact was not generally known until Friday. Mr. White said that their suspension was owing to the absence from the city of many of their customers, who were then unable to respond to their calls. He expected that when they had time to get together "they would fix things up."

BEERS & EDWARDS were another ordinary stock house, and being long of stocks, found themselves unable to meet their engagements. They did a general stock business. On Thursday night they expected to go through all right, but Friday morning found the pressure too great, and had to succumb. The trouble arose solely from the general depreciation of stocks, but not of any particular kind.

GREENLEAF, NORRIS & CO. were regarded as a first-class house and were generally known as "bulls." They were carrying great quantities of stocks at high prices, and were unable to meet their engagements. Mr. Norris, who is one of the Vice-Presidents of the Stock Exchange, felt keenly the failure of his firm.

THOMAS REED & CO. were long of stocks, having large quantities of Harlem, New York Central, Lake Shore, and other stocks. They did a general stock business, but their suspension was caused from liabilities as brokers. They went "long" on stocks—chiefly Harlem—and customers failed to respond and make good their margins. They telegraphed all over the country, but received very few replies. In the meantime, Harlem was forced down from 130 to 90, and they were compelled to suspend.

GEORGE BOLTON ALLEY'S suspension may be attributed to the general depression in stocks, in which he dealt both on his own account and on commission. He held the Vanderbilt stocks chiefly, Lake Shore, etc., which felt the shock more than others.

DAY & MORSE were bankers and brokers, doing business also in Toronto, Canada. They kept up until the afternoon, when they were compelled to yield to the pressure. Mr. DAY acknowledged that they were loaded with stocks, which went down with a run. These were chiefly Vanderbilt stocks.

EUGENE J. JACKSON is a prominent member of the Stock Exchange, and has been on Wall street for many years. His house was carrying a quantity of New York Central, Rock Island, and other dividend-paying stocks. "Tight money" finally forced the temporary suspension of his business. He is held in high esteem, and was universally sympathized with.

SMITH & SEAVER did a stock brokerage business, and were unable to keep up their margins when stocks declined.

THEODORE BERDELL'S suspension was due to his customers having failed to keep their margins.

VERNAM & HOY gave way late in the day. The cause of their suspension was a call of loans on the firm which they had not ready money to meet. The loans, they said, were all secured by safe margins.

WHITTMORE & ANDERSON gave the usual reason for their suspension; they were long of stocks which suddenly tumbled, and their customers failed to send remittances to keep the margins good.

JACOB LITTLE & CO., although comparatively small dealers, were generally considered good. The head of the firm is the nephew of the great Jacob Little whose picture adorns the Board-rooms. The cause of the suspension was a superabundance of stocks.

W. H. WARREN, AMOS M. KIDDER, HAY & WARNER, FITCH & CO., and W. E. CONNER, were all houses in good standing, doing a large business, and accounted reliable in every respect. But good standing and reliability, although frequently saving the credit of banking as well as commercial firms, were powerless to check the wave of panic which relentlessly swept over its shrinking victims.

SATURDAY, THE TWENTIETH OF SEPTEMBER had scarce dawned upon the business portion of the city than rumor commenced coquetting with the names of prominent firms, hinting at suspension, failure and general demoralization among the financiers of Wall, Broad, Nassau streets and Broadway. It was said that Charles F. Carleton, the Secretary of the Union Trust Company, had disappeared; that he was a defaulter to the amount of over $400,000, much of it having been lost in stock gambling. Unfortunately rumor proved reliable on this occasion. This young man—not twenty-seven years of age—had been the chief business manager of the

Union Trust Company, having unquestioned control of the bank's funds; even when the discovery took place, the officers of the institution were inclined to sympathize with and protect him. He had speculated with the money of others, and went down in the general crash. One of the directors then spoke of him: "He is not a thief, nor has he carried away a dollar except the paltry thousand taken from the cash drawer. He has speculated and lost; probably lent money to his friends who have not returned it yet; but he did not steal it. I understand he loaned his father $20,000, but that is amply secured. He is a young man of exemplary habits, and strictly honest, but simply unfortunate. The transaction would never have been known if the panic had not caused this run on us, for every dollar would have been returned." One would judge from this that appropriation of money belonging to those who confide in a bank officer—and which he squanders recklessly—tends to make a hero of him; but let those who eulogize or defend the higher classes of criminals be empannelled upon a jury where an unfortunate offender has stolen bread to keep his family alive, and ten chances to one they hold up their hands in holy horror and return a verdict of "guilty" without leaving the box! According to the amount a man can pilfer in his nefarious transactions is he measured by too many of those looked up to in society. If he secures ten dollars he is a thief; but if successful in making a wholesale plunge into the coin of his victims he is "sharp," "right clever," and wept over when his peccadilloes are discovered. It was natural, then, that so soon as the Union Trust Company's doors opened a dash should be made towards the paying teller; the crowd gathered, became excited, almost desperate. Mr. Woolsey, the acting President, endeavored to secure $1,000,000 from General Hillhouse, the Assistant Treasurer, on Government bonds, but was refused, and, as a natural consequence, at 10.30 o'clock the following notice appeared:

"In consequence of the large amounts due the Company on call loans not having been paid this morning, the Company have been obliged to suspend payment until Monday morning at 10 o'clock."

It was all over with the crowd outside; some grew indignant, others allowed tears to roll down their cheeks, and not a few indulged in language exceedingly profane. Much of the currency of

this Bank was in Northwestern shares and Lake Shore stock. The capital of the Company was $1,000,000, and a like sum was claimed in surplus. The Lake Shore road, it was said, owed the Bank, $1,-750,000; the Horace F. Clark estate debt is estimated at nearly $1,000,000, nearly half a million tied up in the stock of another railroad, and other large loans.

Then followed the National Bank of the Commonwealth. It was said that Messrs. Edward Haight & Co. had overdrawn $250,000, and been unable to make it good, handing in $60,000 in bonds. This institution was organized as a State bank in 1853, and as a National bank ten years later. It weathered the storm in 1857, and sustained itself under a heavy run in 1871, since which time it had steadily gained in the confidence of the community. Added to this, the Stock Exchange was closed, and news arrived that the Savings Banks in Chicago had claimed the sixty days' notice from depositors, and that many of the leading banks were discussing the advisability of suspending payment of large checks. St. Louis telegraphed the suspension of Messrs. Taussig, Fischer & Co.; Chicago, that of the Franklin Bank and Badger & Co.; Albany, that of Squire & Co.; Burlington, Iowa, that of the City Saving's Bank; Toronto, Canada, that of Morse & Co.; and Philadelphia, that of the Union Banking Co. Washington's news was not reassuring—in fact, from the North, West and South, messages received, seemed to darken the already gloomy aspect of affairs.

In the Director's room of the Merchants' Bank, shortly after one o'clock, were gathered many of New York's financial magnates, discussing the advisability of the associated bankers "pooling" their funds, and issuing loan certificates to the value of $10,000,000. The plan recommended was that any bank might, at its option, deposit with a committee of five persons, to be appointed for that purpose, an amount of bills receivable, or other securities, to be approved by the committee, who should be authorized to issue thereupon to said depositing bank, certificates of deposit, bearing interest at seven per cent. per annum, in denominations of $5,000 and $10,000, to an amount not in excess of seventy-five per cent. of the securities in bills receivable so deposited. The loan committee

elected comprised President Tappan of the Gallatin Bank, Moses Taylor of the City Bank, George S. Coe of the American Exchange, Charles P. Liverich of the Bank of New York, and Charles F. Hunter of the People's Bank.

This committee was authorized to issue not more than ten millions of dollars, which might be employed in arranging balances at the clearing house—not extending beyond the 1st of November. The legal tender of the associated banks was to be considered a common fund, and the banks using the certificates were to pay one-quarter of one per cent to defray expenses. A statement of the condition of the amount of the banks, with the loans and discounts, amount of loan certificates, amount of United States certificates of deposit and legal tender notes, and amount of deposit, deducting therefrom the amount of special gold deposits, was to be made every morning before business to the committee.

At the office of the Gold Room the following notice was suspended:

New York Gold Exchange Bank, Sept. 20, 1873.

Notice is herewith given that any general clearance cannot be effected this day, owing to the fact that many of the dealers find it impossible to get their checks for balances due the bank certified in a proper manner.

All statements, tickets and checks will be returned to the dealers on application to the board.

[Signed] R. S. EDWARDS, President.

Business was not brisk, the closing of the stock exchange created immense excitement, and the usual amount of chronic gesticulation. The action of the associated banks was received with uproar, and gold, which opened at 1.11¼ went up to 1.12½, and then down to 1.12, when the gong sounded the hour for departure.

Leading bankers telegraphed to the Secretary of the Treasury, and to the President. In fact, Mr. Richardson was almost driven to desperation by the excessive bundles of telegrams received from all parts of the world. It was related by a friend of his that he wrote "no" almost invariable to every query. In one case, a European capitalist telegraphed, "How long do you think the Panic will last?" In his hurry the Treasurer scratched down the usual "NO"—but his assistant, Mr. Sawyer, who rather enjoys a joke,

added *vember* to the blunt little monosyllable, and thus despatched it. This pleasantry, however, was not satisfactorily authenticated, and doubtless originated on Broad street, where quite a number of idle Stock Exchange members loitered. It was ascertained that President Grant and Secretary Richardson would arrive at the Fifth Avenue Hotel during the evening, and would inaugurate the novelty of a financial camp meeting next day, at parlor 35, during the hours usually devoted to religious exercises of the kind. The arrangement would, of course, interfere with attendance of a few at class gatherings, but the great majority would find service just the same as they usually settled down to on that particular day—this being a sort of reunion, where each could give his experience, untrammeled by the presence of a Vice-President, ready to announce "a few more suspensions."

Lists of failures for the past few days came in, and verily in its onward march, the Panic had stricken down the flower of the Stock Exchange; irrespective of the Bank failures, many private firms had suspended previous to the final closing of the day's transactions. New York contributed, in all, the following well-known institutions:

New York Warehousing and Security Co.; Eclectic Insurance Co.; Kenyon, Cox & Co.; Jay Cooke & Co.; Fisk & Hatch; White, Defreitas & Rathborne; Beers & Edwards; Eugene J. Jackson; Thos. Reed & Co.; W. H. Warren; George Bolton, Alley & Co.; Greenleaf, Norris & Co.; Theodore Berdell; A. M. Kidder & Co.; S. D. Smith & Seaver; Day & Morse; Hay & Warner; Vernan & Hoy; Fitch & Co.; W. E. Conner; Whittemore & Anderson; Jocob Little & Co.; E. D. Randolph & Co.; C. G. White & Co.; Ketchum & Belknap; W. C. Morehead & Co.; Saxon & Rogers; Williams & Bostwick; Miller & Walch; E. Haight & Co.; Lawrence Joseph; P. M. Myers & Co.; Taussig, Fischer & Co.; Fearing & Dellenger; C. G. White; Marvin & Brothers; Union Trust Company; National Trust Company; Bank of the Commonwealth; Brown, Wadsworth & Co.

Philadelphia sent in the names of E. W. Clarke & Co.; De Haven & Bro.; Gelbough, Bond & Bro.; George H. North; J. S. & H. E.

Yerkes; Charles P. Bayard; John P. Lloyd; Henry H. Douglass; H. H. Bull; T. C. Knight; Henry L. Fell; Union Bank Co.

And various other cities said that it was all up with T. C. Squire & Co., bankers, Albany; Franklin Bank Co., Chicago; Horace Conn, leather manufacturer, Woburn, Mass.; H. J. Morse & Co., bankers, Toronto, Canada; Powell & Co., bankers, Williamsport, Pa.; Taussig, Gempp & Co., St. Louis.

It was found necessary to close the Stock Exchange for several potent reasons. In the first place, even certified checks had fallen into disrepute—currency being demanded. Secondly, that the feverish state of the public pulse might at any moment produce further disaster, and consequent decline in stocks and additional failures. The closing of the Board would restore public confidence, and accordingly it was closed, to be called together by the sound of the Vice-President's gavel after 24 hours' notice. Saturday's transactions in the Gold Room and Exchange were not extensive. In the former the following quotations were recorded:

10:00 A. M.	$111\frac{1}{4}$	12:04 P. M.	$111\frac{3}{4}$	2:00 P. M.	$112\frac{1}{2}$
10:01 A. M.	$111\frac{1}{8}$	1:00 P. M.	$111\frac{7}{8}$	2:01 P. M.	$112\frac{5}{8}$
10:36 A. M.	$111\frac{7}{8}$	1:01 P. M.	$111\frac{3}{8}$	2:26 P. M.	$112\frac{3}{8}$
11:00 A. M.	$111\frac{1}{2}$	1:05 P. M.	112	2:31 P. M.	112
11:30 A. M.	$111\frac{5}{8}$	1:27 P. M.	$112\frac{1}{8}$	3:00 P. M.	$111\frac{7}{8}$

The day's business at the United States Sub-Treasury was: Gold receipts, $1,048,686.05; payments, $406,288; balance, $53,034,165.26; currency receipts, $293,839.79; payments, $5,050,518.16; balance, $24,559,036.41; customs, $393,000. There were no gold clearances at the Gold Exchange Bank because of the difficulty of dealers in obtaining certified bank checks. In foreign exchange nothing of importance was done. The rates were $108\frac{3}{4}$ for prime sixty days' bills and $109\frac{1}{8}$ for short sight. Money could only be obtained at $\frac{1}{2}$ to 1 ₽ diem on the most approved collateral. The bank statement came out late. The following were the comparative totals: Loans, decrease, $6,114,500; specie, decrease, $1,597,700; legal tenders, decrease, $2,409,300; deposits, decrease, $9,277,400; circulation, increase, $30,800.

The following were the highest and lowest prices of the leading stocks :

	Opening.	*Highest.*	*Lowest.*	*Cl's'g.*
Chicago and Northwestern	49	49	40	40
Chicago and Northwestern pref	70	70	70	70
Chicago, Rock Island and Pacific	95	95½	87	88
Col., Chi. and Ind. Central	23	23½	19	19
Del., Lack. and Western	92	92½	86	89
Adams Express	87	87	86	86
American Express	59	59	59	59
United States Express	51	51	51	51
Erie	56⅛	56⅛	53½	53½
Harlem	111	111	100	103
Hannibal and St. Joseph	20¼	22½	20	22½
Lake Shore	88	88	79½	83
Milwaukee and St. Paul	37½	37½	31	32¾
New York Central	95	95	89	91¼
Ohio and Mississippi	32	33	26½	27¼
Pacific Mail	38	38¾	31	32
Panama	100	100	90	90
Toledo, Wabash and Western	50	50	42½	44
Union Pacific	21	22	18	18
Western Union Telegraph	75	76	54¼	59½

SUNDAY, THE TWENTY-FIRST.—The chimes of Sabbath bells floated out upon the air—but not to join in devotional exercises beneath the roof of fashionable churches was the mission which attracted many a proud financier. President Grant and Secretary Richardson were at the Fifth Avenue Hotel, and $44,000,000 of the Reserve Fund in the Treasury at Washington. New York bankers and ex-capitalists wanted some of that money, and the two Washington dignitaries had considerable to say regarding the distribution; therefore the proceedings to take place in parlor 35 called several scores of Mammon's worshipers together. There were present, Henry Clews, Senator Morton, Secretary Richardson, Gen. Sharpe, Ald. Van Schaick, the Seligmans, President Orton of the Western Union Tel., Hon. George Opdyke, James Bender, R. L. Kennedy, J. H. Bailey, Gen. E. S. Sanford, Prest. Vail of the Bank of Commerce, J. H. Hovey, Wm. Scott of the First National Bank, Erie, Pa., P. K. Sharpe, Ex-Gov. Morgan, J. J. Sisco, Rufus Hatch, Hon. Reverdy Johnson, Hon. Thomas Murphy, Prest. Chapman, and many other prominent financial magnates. President Grant certainly required more presence of mind than even Vicksburg's experience necessitated, for these visitors of his meant business in the strictest

sense of the word. The President had little to say—perhaps he thought a great deal, and out of charity refrained from giving verbal utterance to his mental deliberations. There was a short desultory conversation, and ultimately, the visitors withdrew to a private room to discuss matters among themselves. When wanted, leading financiers were summoned before the high commission in parlor 35. It was noticeable, however, that all united in pointing out the necessity of an immediate draw upon the $44,000,000 Reserve Fund in the Treasury; but how that was to be accomplished, seemed to be a problem difficult to solve. Had it remained with President Grant to vindicate his private ideas by any facial manifestations, the subject to this hour would have been shrouded in mystery, so far as concerned his visitors; he was impenetrable and very dumb; so the sharpshooters could not tell whether the conference was to end in a jubilee or a funeral. But Secretary Richardson was plump on the question, and at once gave the anxious magnates to understand that he would buy bonds, but did not like to make any extensive haul from the Reserve Fund. "I suppose he'll want some of that himself in a few weeks," muttered a disgusted financier, as he returned to the private parlor. Then it was proposed to the High Commission that the city banks be selected as depositaries for $25,000,000 of the reserve, all the other banks agreeing to become responsible to the Government for repayment. An enormous pressure was brought upon the President and Secretary to have them confirm this plan. The Secretary consulted Senator Morton upon his legal right to take action. The Senator in turn consulted the Hon. Reverdy Johnson. The result of their conference was an opinion that while the step might be of doubtful legality, public necessity amply authorized it. The President, by advice of the Secretary, refused to entertain the proposition, unless capitalists of the city agreed to meet the efforts of the Treasury, and deposit $10,000,000 or more in the same banks. Even then, the step should not be undertaken, until those banks had submitted a succinct statement of their condition. But it could plainly be seen, that even were all the requirements of the "High Commission" complied with, there was danger of a change of base on its part. Then Commodore Vanderbilt held a consultation with the Government;

it was understood that he offered to advance $10,000,000 of the amount, provided it were done without waiting for a bank examination. "If done at all," said he, "it must be done at once. Any halting, timid, half-way measures, will prove worse than useless."

During the afternoon the Hon. Reverdy Johnson, Henry Clews, Mr. Vail, Hon. Geo. Opdyke, the Seligmans, and others, drafted a memorial setting forth the requirements of the finance world in this emergency. It recited the salient point of the emergency, want of money, and the opinion of the best financiers of the country that a draft upon the currency reserve would remedy the difficulty. The legality of such a step might be questioned, but the situation was such that an exercise of the supreme law of public safety was amply warranted. The letter recited the two great instances of violation of the English Constitution in cases of similar emergency, namely, the suspension of habeas corpus and the Peel currency act. An instance of more modern date was also given, that of the issue of $5,000,000 during the Black Friday panic, by order of President Grant. "The people warranted you in this stretch of power by a re-election unparalleled in the history of the country," said the letter in conclusion. The President upon receiving this letter handed it to Senator Morton, who perused it carefully, then both the President and Secretary read it carefully—the former being evidently favorably impressed by the suggestions. But it was understood that the Secretary argued that he would be glad to stretch his authority if he had any legal precedent; he held that the Government was not a trust company or a loan institution, and it was doubtful whether Congress would sanction any such construction of power. He considered that all the power they had was to purchase Government five-twenties.

Mr. Vail, of the Bank of Commerce, was summoned, and after a few minutes' conference with him the great question was finally decided in the negative. Next the issue of the gold balance in the the city was proposed; this, too, met with a prompt veto; the ultimate decision being that nothing more than a purchase of bonds could be compassed, and a proposition to have the Government open proposals for an unlimited purchase of United States bonds was

submitted. The upshot was that in the evening Secretary Richardson announced, with the approval of the President, the decision which his remarks had throughout the day foreshadowed. He would authorize the purchase of five-twenty bonds in any quantities that might be offered, without the formula of bidding, and pay for them the current rate of gold. That, he said, was all that he thought it was in his power to do. Then the President and Secretary, by a carefully manipulated plan, succeeded in eluding the vigilant crowd awaiting their appearance, and started on the train en route to Washington. The two were evidently afraid that if they stayed much longer, Gould, Drew and Vanderbilt, might arrange a corner on them. Some expressed satisfaction at the five-twenty bond purchase, but the great majority were out of sorts, and disappointed.

During the day intelligence from various points had been of a conflicting character. Boston said that her banks were safe—no panicky symptoms, and a general feeling of security. San Francisco said: "Pacific coast interests have not been compromised by the embarrassments East. No trouble is apprehended to general business, except the increased degree of caution incident to such a state of things. There is a moderate business in mining stocks, but prices are lower." Cincinnati said: "No paper has gone to protest, and the banks generally have been caring for their customers, though the past few days have been diligently used in preparing for every possible emergency. The merchants and moneyed men of the city almost uniformly believe that Cincinnati will not be seriously affected by the storm which is raging in the East." Philadelphia said: "The excitement, though very great, has somewhat tamed down. The Union Banking Company have suspended, and issued a notice stating that owing to the heavy demand on them during the past few days, they have been obliged to suspend payments for a few days." St. Louis said: "The failure of the firm of Taussig, Fischer & Co., in New York, has caused the suspension of Taussig, Gimpp & Co., a railroad stock-broking firm doing business on Third street in this city. They did little or no general business, and their suspension will not be much felt in commercial circles. They are confident, however, of resuming. The business men of St. Louis will stand by the banks to the last, if the hour of adversity comes."

And plucky Chicago—that young giant of the Northwest—sent word that her banks were fighting bravely; that although her business men had been building up the city, although the interest on mortgages, necessitated by the fire two years before, was falling due, everything would be done to maintain the integrity of her capitalists and business men generally. The Franklin Bank had suspended, but that had been anticipated. In fact, from all parts of the continent came news, that although New York's tribulation had prostrated all classes of business to a certain extent, yet no serious results were discernable up to that time.

So the chimes rang out the day of rest, and those who had been hob-nobbing with the Government or figuring over their office work, wondered what Monday would bring forth. There were those who had, during Sunday, stood by the Government's decision, and highly eulogized it. They argued that although the issue of $40,000,000 might have given more prompt relief, it was doubtful policy for the Government to interfere, as in case of a reckless financier at the head of the Treasury he might take advantage of the precedent and gravely compromise the national credit and reputation. Many agreed that matters would right themselves, as this was more of a broker's panic than a commercial crisis, and that the relief of that class would settle the market. Others blamed the Government, threatened another edition of new departure, and indulged in predictions so doleful that had President Grant heard them he would have crawled out of his reticent shell and offered a few words of comfort.

MONDAY, THE TWENTY-SECOND, and with the commencement of a week, people fondly hoped the fever would break, and a calm, peaceful era be ushered in. The Gold and Stock Exchanges were closed, the banks had "pooled" their resources; Government was prepared to purchase bonds, and altogether the situation manifested decided improvement.

The following notice was suspended in the vicinity of the cashier's window in the United States Sub-Treasury:

"UNITED STATES SUB-TREASURY,
NEW YORK, Sept. 22, 1873.

The purchase of bonds to-day will include all the different series of 5-20s. Payment will be made in currency at the rate of 110 72-404 and accrued interest in coin."

The pattering of feet towards this institution, the anxious gatherings in the rotunda, the little parcels drawn from breast pockets, all were suggestive of brisk business. Some parties desired to dispose of bonds of other denominations, but General Hillhouse informed enquirers that he had not been authorized to buy the '81 bonds, as the President did not believe that he had the legal right to take up bonds not yet due, nor did he think further steps would be favored by the Government, as he was convinced those already taken would prove sufficient.

At the savings banks business generally was a great deal brisker than the cashiers could possibly have desired. As a rule, transactions were all on one side, visitors drawing a great deal but depositing very little; some sensible people, however, carried out usual every day arrangements, expressing firm faith in their banking institutions. On Sunday evening the following resolutions had been passed:

"WHEREAS, It has been ascertained by the reports received from the various savings banks represented here this evening that the adoption to-day by many of them of the recommendations of the resolution passed on Sunday evening, that notice be required from the depositors, has met with their general approval, and has had the effect of allaying all excitement at the institutions that have adopted it; therefore,

Resolved, That this meeting recommend that the provisions requiring notice of withdrawal be generally adopted by the savings banks of this city."

This resolution was not carried out, however, during the day, though the Bowery Savings Bank, after standing a run until five o'clock, posted the following notice:

"Depositors are hereby notified that deposits will not be paid, except on notices of thirty days on balances of $300 or less, and of sixty days on all balances exceeding $300."

This, of course, created an unusual amount of excitement, whilst the presidents of the various institutions, finding that depositors were bent upon withdrawing confidence, united in agreeing to enforce the resolutions of Sunday.

An active "market" for bonds had been established at the Sub-Treasury office, and purchases at the hour of closing amounted to

$3,339,150, in 50 lots, ranging from $5,000 up to $500,000 each.

Quarters of the Loan Committee of the Clearing House were established on the second floor of the Bank of New York building, at Wall and William streets, F. D. Tappen and Manager Camp being in attendance. They stated that the scheme was moving smoothly, and the Clearing-house had come to the conclusion that if the $10,000,000 of certificates were not sufficient they would issue more. The certificates, which were in denominations of $5,000 and $10,000, were in active demand. By noon $2,500,000 had been issued, and at the hour of closing nearly or quite $6,000,000 had been signed.

Leading financiers were cheerful. The President of the Hanover Bank, Mr. Scott, reported deposits as being rapidly made. The Chemical National Bank's President, Mr. T. Jones, Mr. Thompson, President of the First National Bank, Mr. Wheelock, President of the Central National Bank, Mr. Bayles, President of the Market Bank, Mr. Calhoun, President of the Fourth National Bank—an institution which withstood the attack of a perfect army of panic-stricken depositors—Mr. Morrison, of the Manhattan Bank, in fact the presidents of all leading Banking houses, pronounced the danger over, and were paying off immense demands upon their treasuries.

News from abroad, however, was not reassuring. From London (Eng.) came a message:—"Much anxiety is manifested on all sides to hear further news from New York. Messrs. Jay Cooke, McCulloch & Co. continue to pay cash in the usual manner over their counter, and the run on their house has ceased. A dispatch announcing the closing of the New York Gold Exchange has just been bulletined. This news is accepted as an indication of the gravity of the financial situation, and the market for American securities is again depressed." From Buffalo:—"H. W. Burt & Co., private bankers and brokers, closed this afternoon. Their suspension causes no undue excitement outside of their private depositors. Financial matters are feverish, but business men and brokers appear firm and confident that no serious embarrassment will be experienced here." From Philadelphia:—"All of the State banks are

thoroughly solvent, but experiencing some annoyances from a scarcity of currency. They ascribe the trouble to the refusal of the national banks to accept their checks, thus throwing them upon their own resources. Of the banks that were specifically named as having suspended, viz: The Citizens, the Iron, the State, and the Keystone, all are asserted by their respective officers to be perfectly sound. It is probable that all will promptly and fully meet their demands to-morrow." From Chicago:—"There is considerable of a run on some of the banks here to-day, but they are adhering to the resolution adopted yesterday—to fall back upon the thirty and sixty day rule—and are only paying sums of less than a hundred dollars. The largest assemblage appears to be gathered at the State Savings Institution, but so far the crowd has been quiet and orderly."

This was the general tenor of reports, and together with rumors upon the streets, tended to create a feverish anxiety amongst all classes. A remarkable decrease in custom receipts, which usually averaged about $500,000 per day, was also reported, dealers finding it impossible to raise money to pay duties. Telegraphic dispatches from Washington said:

"The President had another interview, of more than an hour, with Secretary Richardson, at the White House, this morning, at which Secretary Delano and Postmaster-General Creswell were present. It has been decided to send $20,000,000 from the National Treasury here to Assistant Treasurer Hillhouse, in New York, to-night, to enable that officer to buy all the bonds that may be offered. The President feels encouraged at the news to-day, and will be guided by circumstances as to whether he will leave to-night. Secretary Richardson has been receiving telegrams from New York every few minutes during the day, informing him as to the condition of affairs there. In reply to interrogations this morning he said everything was more encouraging, and the Government would buy bonds just as fast as they were presented. When the question was asked whether or not this money to pay for the bonds would come from the legal reserve, he answered, 'Never mind about that; I will attend to getting the money. The Government is all right, and intends to keep so.' Secretary Richardson further stated his belief that the panic was now at an end, and that there need be no further apprehension of trouble. He had no fear of any disaster resulting from this, as the country is in a very prosperous condition, which

was shown by the fact that throughout the panic there was no call upon the National Treasury for assistance, except from New York, a slight one from Philadelphia, and still less from Washington. From the West and South there had been no request for aid, and he had no idea that there would be any. He further stated that the Government would continue to purchase bonds as long as persons would bring them, but he did not suppose that they would be offered many days. He also contradicted the statement that the navy account had been transferred from the banking house of Jay Cooke, McCulloch & Co., in London, and declared that there was no intention of making such transfer."

And another telegram said: "The President, it is said, did not altogether relish the idea which Commodore Vanderbilt submitted, of proposing to furnish $10,000,000 of currency if the Government would furnish $30,000,000. His Excellency did not think the time had arrived for a partnership of the Government with a railway king."

At the Gold Exchange Bank, the Gold Room and Clearing House, clearances for Friday and Saturday were completed, amounting to $92,075,000. The Gold Exchange had been kept open simply for the arrangement of loans and settlements of preceding days' transactions; a resolution had been passed, forbidding the selling or buying of gold by any member of the Board on pain of expulsion. The "settlement" price of gold was marked at 112, and on that basis of quotation Clearing House transactions would be made, the carrying rate of gold being stated at seven per cent. per annum.

The Stock Exchange members who had been driven into the cold world, and into the street, envied the capitalists, who hovered like vultures looking after their prey, transacting open air business, prices ranging somewhat as follows: New York Central, 91; Harlem, 103; Lake Shore, 80; Union Pacific, 20; Rock Island, 90; Northwestern, 40; St. Paul, 30; Wabash, 40; Ohios, 28; C., C. and I. C., 22; and Western Union, 69. A careful estimate of approximate prices gave the following result: New York Central, 92; Harlem, 107; Lake Shore, 82; Union Pacific, 21; Rock Island, 91; Northwestern, 46; St. Paul, 30, (bid); Wabash, 48; Ohios, 30; C., C. and I. C. as before, and Western Union, 68. To these might be added 53½ for Erie; 71@73 for Northwestern preferred, and 63 for St. Paul preferred.

TUESDAY, THE TWENTY-THIRD, promised a better state of affairs; at least this was the opinion of bankers, and those who were called upon on Monday to cast the horoscope of financial affairs for the ensuing day. But there was a gloom in the atmosphere which boded ill. Broad street became the resort of stock-buyers, and hundreds of curious people whose morbid appetite was only appeased upon hearing of the downfall and wreck of those who had been considered substantial capitalists. Loungers about Wall street poked their noses into everyone's business, not however neglecting their own, as they evidently had none. Groups gathered at Poverty Corner discussing finances in their own peculiar style. The newspapers announced, "The Panic is Over," "Return of Confidence," "Return of Sanity," still there was something wrong about New York's financial machinery; the gearing was out of order, and men stood with their hands in their pockets awaiting intelligence of disaster in order that they might be prepared to recollect having predicted—days before—the very event which had occurred. The $10,000,000 loan certificates had all been monopolized; and very nearly an equal amount in bonds had been disposed of at the Sub-Treasury office, yet it was argued that this money had been received by banks and paid out to depositors, who immediately locked it up and thus destroyed the virtue anticipated. Added to this, interior banks' demands were increasing daily—the amounts asked for in New York reaching fully $200,000,000. Then came rumors of further suspensions; the names of Vermyle & Co.; Howes & Macy, and Clews & Co., being mentioned. Telegrams from all parts were far from reassuring, and a second edition of the panic was apparently being gradually developed. Some parties had secured a hall on Broad street, where the following notice was posted:

INDEPENDENT BOARD ROOMS!
48 BROAD STREET.
A room has been opened at the above place for transactions in
GOLD AND STOCKS.
Cards of admission Ten Dollars, to be had on premises.
NEW YORK, Sept. 23, 1873.

But this did not receive a very warm endorsation, as the knowing ones could not discover what power existed to guard the keeping of

contracts entered into at this institution. The Clearing House reported that the banks in arrears had settled satisfactorily. Brokers were busily engaged closing contracts, effecting settlements, "pairing off" and effacing the preceding week's transactions; but still a feeling as of impending danger seemed to hang like a pall over Wall street. The following partial statement regarding the Union Trust Company's affairs had been issued, and it was said that the Company would resume so soon as financial matters were placid:

ASSETS.

Government bonds	$ 889,775
Other dividend-paying securities and loans secured by dividend-paying stocks and interest-paying first mortgage bonds	4,495,605
	$5,305,380

LIABILITIES.

Due depositors	$4,292,029

We, the undersigned, a committee on the part of the trustees of the National Trust Company, certify that we have made a careful examination of the securities of the company, and find them to be accurate and correct.

(Signed) ROBERT H. BERDELL, THOS. W. SHANNON,
GEO. A. FELLOWS, GEO. G. LAKE.

The Gold Exchange was opened, the president making the following remarks:

"GENTLEMEN: The power is vested in the Executive Committee to close the Exchange at any time, as you know. We do not think it necessary to do so to-day; and I ask you, please, to refrain from undue excitement in your business. If we should find it necessary to close—and that will depend upon you—we shall take the prerogative and do so. Therefore, we look to you to make such trade as will tend to allay the excitement and not increase it."

Sales opened at 112, the price fixed upon at closing. Then it went up to 113, after which it fell to 111¾, and remained until late in the day, when the suspension of Clews & Co. put it up to 112½ @112¼.

From No. 32 Wall street the flushed and excited face of Henry Clews issued, shortly after 2 o'clock. Looking neither to the right

or to the left, with a firm lip and determined eye, the envied financier strode toward the Fourth National Bank. He desired currency for collateral; he had paid out since the panic a million and a quarter of dollars; his reputation, the safety of his bank, depended upon the extension of financial courtesies by the Fourth National. But the President, Mr. Calhoun, could not do it; he had honored overdrafts to the extent of $135,000 for the firm; they could use some collateral of theirs, which the bank held, but no more money; and Henry Clews returned to his office, a bitterly disappointed man, too proud to allow private friends to help him, and too honest to deceive those who confided in him. His institution being a private banking firm, could not apply to the Clearing House Association for relief. And thus the great banking establishment of Henry Clews & Co. suspended. This banking institution was formerly known as Livermore, Clews & Co., but in 1865 became Clews & Co. It started in New York at the commencement of the war. A branch house was subsequently opened in London under the name of Clews, Habicht & Company. Mr. Clews held all but an eighth interest in the New York business. The house was one of the Syndicate appointed by the Government some time ago.

The downfall of this firm created a wide spread sensation; men on their way to the office with the intention of making deposits turned back, whilst scores went forward to sympathize with, and tender their services to aiding the fallen firm. Despite the bitterness of his political opponents, Henry Clews stood high in the estimation of all, and few there were who did not sincerely regret the suspension of his banking institution. He fought nobly, almost single handed against immense odds, and many there were who said, "Poor Clews, he'll be on his feet again soon!" the wish being evidently father to the thought. The firm's securities comprised Burlington, Cedar Rapids & Minnesota Railroad stock, mercantile paper, miscellaneous stocks, &c. It was said that another banking firm owed the Clews institution $250,000, and could not pay it. Mr. Clews offered two per cent. a day for money to tide him over, but could not get it, even on first class collaterals.

Street transactions in stocks had progressed irregularly during the day, the following being quotations: 12 o'clock—Union Pacific, 21@22; Lake Shore, 80@82; New York Central and Hudson, 92@93; Western Union, 65@68; Erie, 53¾@57; Pacific Mail, 34 @35; Ohio and Mississippi, 30@31; Northwestern, 40@45; Rock Island, 90@91; C., C. and I. C., 22@23; St. Paul, common, 36@40; Wabash, 45@48.

Closing—Western Union, 63@64; Pacific Mail, 34@35; Central and Hudson, 89@90; Erie, 51@52; Rock Island, 88@90; Southern, 77½@79; Northwestern, 42@43½; Cleveland, Columbus and Indiana Central, 20@22; Wabash, 43@45; Ohio and Mississippi, 29@30; Union Pacific, 19½@20; Harlem, 102@104; Lake Shore, 78@79.

The failure of Henry Clews & Co. was known all over the city in an hour, and despite the fact that the Union Trust Company's affairs were pronounced very promising, and money reported easier, a wide-spread fear seized upon the masses that the panic was renewed, and would now sweep down commercial houses. It was said that Peake, Opdycke & Co., a large dry goods firm, had failed, but this was denied. Thus closed another day of panic and disorder.

Wednesday, the 24th of September, and still the cloud of gloom shrouded Wall street and those who had so often ventured within its fascinating limits. The suspension of Henry Clews & Co. prepared people for still further failures, and had the entire circle of banking establishments remained closed for the day it would not have surprised people to a greater degree than the series of shocks experienced during the previous week. In fact, with too many a morbid desire for excitement—where they were not pecuniarily interested—had been stimulated, and the utter collapse of the money market would certainly for a time have added to their enjoyment. Then a rumor, early in the day, was circulated to the effect that George Opdyke & Co., Vermilye & Co., August Belmont & Co., and many others, could not meet their engagements, but this was promptly contradicted—these gentlemen paying all demands promptly, and asserting their ability to meet every claim. It was said that those to whom Jay Gould's brokers had sold stocks short, for delivery on Saturday, were unable to cash up, in

consequence of which Mr. Gould had a greater burden than he could carry, and was a heavy loser; but Mr. Gould said he "knew a trick worth two of that," and perhaps he did. During the preceding day busy mouths had gossiped with the names of Howes & Macy, a firm doing business in the same building as Henry Clews & Co., 32 Wall street. But to-day the run commenced; heavy drafts were made by depositors, and the remorseless checks kept pouring in until Mr. Howes arrived at the conclusion that he had other criditors to protect besides those who were the promoters of this pressure. So about 11 o'clock a polite announcement appeared above the cashier's desk to the effect that "no more checks would be paid at present," and the panic stimulators went away with their thumbs in their mouths. This institution had been paying out at the rate of $50,000 to $100,000 per day since Friday; they continued this whilst a cash balance remained, and then put a period to it. The senior partner very sensibly remarking: "Bankers cannot pay four per cent. for money on deposit and pile it up before them to look at. They must loan it. Finding that our balance would not suffice to pay all the checks presented, we thought it best to stop when our money balance was exhausted. We have had no checks dishonored, and have not sacrificed any securities. Our assets are untouched, and we have simply done what all the banks have done, virtually suspended money payments. Private bankers could not do as the banks are doing, settle balances with loan certificates, and we have only followed in the beaten track of preparing for a financial storm. Our customers have not lost faith in us, and will receive every dollar of their deposits." This was certainly to the point, and the latter assertion was verified by Mr. Deputy Sherriff Jarvis, who deposited a few moments after a check for $5,000, expressing himself perfectly satisfied that the firm was still solvent and honorable.

Messrs. Howes and Macy were formerly clerks in the Park Bank, and some years ago entered into partnership; they have many warm friends, and are men of acknowledged integrity. When closing they still had a balance in the Leather Manufacturer's National Bank, through which they effected their clearances—but the firm resolutely refused to sacrifice securities or borrow a dollar.

Early in the day the Bank Presidents of the Clearing House held a meeting at the Merchant's National Bank. It was reported by the chairman of the loan committee that the first certificates of $10,000,000 had been all taken up, and an additional $10,000,000 was authorized. The following resolutions were forthwith adopted:

"*Resolved*, That all checks when certified by any bank shall be first stamped or written payable through the Clearing House.

"*Resolved*, That in order to supply the public demand for legal tender notes, and to renew impaired confidence, the Clearing House committee be authorized to purchase any part of $10,000,000 United States bonds, and to procure the redemption of the same by the Secretary of the Treasury. The loss or cost of the transaction to be divided among the New York Associated Banks *pro rata* of the amount of their deposits respectively, as shown by the return of last week; and that the committee be authorized to assess the share of each bank by drafts in the usual manner.

"*Resolved*, That each member of the association consider himself a special committee to ascertain where such bonds can be had, to invite participation in this effort of every institution and individual in the community, and to report the result to the chairman of the association to-day.

"*Resolved*, That the President of the United States and the Secretary of the Treasury be solicited by the chairman of this association, by telegraph, to prepay the outstanding United States bonds due on Jan. 1, 1874.

"*Whereas*, The banks composing the Clearing House Association, in order to allay public excitement and to restore impaired confidence, have united by combining together and averaging their aggregate reserves; and to that end have generously relinquished for the common good whatever superiority in position any of them possessed over their associates; and

"*Whereas*, It would be manifestly unfair that any member declining to participate fully in the arrangement should derive fictitious credit in reputation in the business of the community by our self-sacrifice;

"*Resolved*, That any member so conducting himself shall be reported to the manager of the Clearing House, who shall forthwith expel him from this body, and checks upon him shall be drawn by presentation immediately to a special agent appointed by him for that purpose on behalf of the association."

The Stock Exchange representatives also tendered their views upon things in general to the Bank Presidents. It suggested,

among other things, that the Associated Banks should, to the extent of their aggregate capital, guarantee the payment of checks certified by the banks allowed to enter into the Clearing House. For the better protection of the banks accounting to this place, it was recommended that the clearings be made an hour earlier than at present, so that on the discovery at the Clearing House of any weakness on the part of any bank, there might be time to inform the President of the Stock Exchange of the withdrawal of the association's guarantee.

During the afternoon the Bank Presidents adopted the following resolutions:

"*Resolved*, That a special committee of nine members be appointed by the Chairman of this Association, to consider carefully, and report what reforms are required in the practical operations of the banks with each other, and with the public, with the view of increasing the security of their business.

"*Resolved*, That the Secretary of the Treasury be respectfully solicited to a conference with a committee, with a view of adopting some measure to relieve the present difficulty in moving the crops from the interior for shipment abroad, and also in relation to paying such bonds of the Government as may be practicable to furnish required currency to meet present demands."

To which the following answer was received next morning:

"WASHINGTON, Sept. 25.

"D. Y. VERMILYE, *Chairman of Clearing House Committee:*

"In answer to your telegram, I have the honor to say that my duties require my presence here, and I cannot meet your committee in New York.

WM. A. RICHARDSON, *Secretary of the Treasury.*"

At the Real Estate Exchange a cash sale of stocks, bonds, &c., took place, under the control of Mr. Muller, the auctioneer. He had a bad time of it. When he offered Harlem, Delaware, U. S. Bonds, Jersey Central—in fact no matter what—the irrepressible brokers—many of whom had no currency, and all of whom had nothing to do—worried him with cries of "Give us Northern Pacific!" "Put up some Graphic Balloon stock!" "Ah!" "A-hem!" "Stick to it, old man!" "Don't suspend!" But despite these

interruptions, the irrepressible salesman disposed of the following offerings:

Delaware, Lackawanna and Western, hypothecated—100 shares, \$50 each, purchased by A. Fitzgerald at 87¼.

Harlem, preferred, (1848), hypothecated for \$50, purchased by J. O. Fowler at 108¼.

United States ten-forties, \$20,000; purchased by Edward Knight & Son at 105.

Massachusetts five per cent, gold interest bonds—\$10,000, bid in by Willard & Stone at 95.

Central Railroad of Jersey—two hundred shares, in blocks of fifty—fifty purchased by Robert Gillett, at 85; fifty by Nolton & Son, at 88½; and the other two by A. S. Clarke, at 86 and 89—supposed to have been bid in.

Delaware, Lackawanna & Western—six hundred and fifteen shares in blocks of 100 each—two blocks purchased by A. S. Block & Co., at 86 and 85¾; two by Marten & Runyon, at 86½ and 87; one by A. A. Degraw, at 85¾; fifteen shares were also sold to Carpenter & Co.

Mr. Muller then dismissed his audience with a benediction, to the effect that they need not be surprised to learn that he was dangerously ill next day, for of all the noisy crowds he had ever met, this certainly was entitled to the first premium.

A meeting of the Directors of the Produce Exchange was held, when it was resolved to send a petition to the Secretary of the Treasury, praying that the bonds issued in 1859 and due in the early part of 1874, should be bought, as well as the five-twenties. Mr. Meissner, of the firm of Meissner & Ackerman, stated that the great want of the merchants at present was foreign exchange. No business could be done; no foreign shipments made. The Western dealers would not send their grain to New York, as there was no money to pay drafts. He thought the purchase of the five-twenty bonds would be insufficient to supply the merchants with greenbacks, without which the mercantile interests would suffer. A great measure of relief could be afforded if the Government would include in its purchases the bonds mentioned above. There were \$20,000,000 of this issue, of which about \$8,000,000 are held in this country.

The following petition was forwarded to Secretary Richardson, with the appended signatures, to-wit:

"We, the undersigned, members of the Produce Exchange of New York, beg to ask your attention to the very threatening position of the exports of the country, brought about by the impossibility of negotiating foreign exchange, and to request that, if it can legally and with propriety be done, some relief should be immediately given. As we are now situated, the crops are coming rapidly forward and being stopped here, for the above reason. The effect is particularly injurious at this season of the year, as the time for canal navigation is short.

"The West and South already feel the consequences of this block, and it must produce disastrous results unless relief comes immediately. We see no better way of relieving the pressure and keeping the crops in motion than for the Government to give an outlet to foreign exchange by making purchases here in currency and remitting to London for its own account, either for future use or for the purchase of bonds in Europe. The need of assistance to the mercantile community is imperative, and we venture to ask your immediate attention to it, particularly as in this way the aid is at once distributed to the merchants, and all speculative interests are left to take care of themselves."

(Signed) David Dows & Co., Josiah M. Fiske & Co., Jesse Hoyt & Co., L. Roberts & Co., A. E. Kent & Co., W. R. Preston & Co., Archibald Baxter & Co., David Bingham, Thomas Richardson, H. L. Routh & Sons, Carlos Cobb, E. S. Brown, E. R. & R. B. Livermore, Logan & Preston, Tompkins & Co., Hughes, Hickok & Co., D. McTavish, Charles H. Going, Franklin Edson, Wm. Paxton & Co., A. H. Solomon & Co., S. DeCordova, J. Hess & Co., Fred. Richardson & Co., John Dean, F. R. & S. D. Routh, and Whitman Brothers.

Rumors that the Secretary of the Treasury had ordered a stoppage of the purchase of bonds commenced circulating, and these were verified to a certain extent by the Assistant Treasurer, who, however, would give no definite information. The bonds purchased by the government that day amounted to $2,611,750; the amount since Saturday, $11,822,100. Gen. Hillhouse, the Assistant Treasurer, was asked by a reporter of the *Tribune* if he proposed to continue the purchase of bonds. He replied that he could not tell until he received an answer to his telegram to the Secretary of the Treasury. He had purchased about $12,000,000 of government

bonds, and had disbursed $22,000,000 in greenbacks for government bonds and currency certificates.

Many claimed that the government purchase of bonds simply gave cash to frightened holders of securities, and aided the savings banks. Leading bankers expressed dissatisfaction with regard to aiding smaller concerns, and being obliged to "pool" with them; they considered that it would have been better to struggle through, and let those who could not meet demands go into liquidation. Others argued, however, that as these certificates had to be made good by the 1st of November, those unable to meet engagements must go to the wall. The wholesale trade commenced to feel the squeeze too; they felt that the banks which had virtually suspended could do little for them should customers fail to meet paper falling due, and that renewals would be difficult to secure; the banks, as a general thing, did not encourage accounts which would necessitate discounts or aid in any way. Therefore those who looked upon the situation on one side were decidedly depressed. There had been a shrinkage in the value of various securities of a great many millions; the banks had pooled their funds, but that money was payable on the 1st of November; commercial paper in large amounts fell due from the 1st to the 3d of October and 1st to 3d of November, and if the banks were cramped and money in the interior tight, a commercial crisis must follow. The crops were locked up, shipments to foreign countries and cash returns were delayed, and altogether, although the wholesale men spoke hopefully, they yet discussed all those points, and felt uneasy as to the future. Added to this the reported intention of the government to stop purchasing even 5-20s occasioned considerable alarm, as it was claimed that the trouble and danger had not yet been overcome. Mr. Geo. Opdyke illustrated his ideas on the question of this stoppage by relating the following anecdote—at least the *Sun* reporters gave him credit for it. Mr. Opdyke remarked that the policy adopted reminded him of the old farmer who told his son to cut off the dog's tail. The dog kept up a horrible yelping for a long time, until the old man went out to see what was the matter. He found his son busily at work chopping off the dog's tail piece by piece.

"What are you doing, Bob?" said the old man.

"I'm chopping the dog's tail off, as you told me to do," replied Bob.

"Well," said the old man, "I didn't tell you to chop it off inch by inch."

"But you see, father," returned Bob, "I'm chopping off a little at a time so that it won't hurt so bad."

"So," said Mr. Opdyke, "the Government comes to our relief. It doles out its relief piecemeal, thus contributing to prolong our trouble, rather than end the panic at once by giving all the assistance needed!"

Broad street was crowded at one time with outside speculators, and during the day prices ruled as follows—the operators being ultimately requested to "move on" by the police, although the police panic did not affect stocks:

New York Central and Hudson River, 88@89; Harlem, 104@105; Wabash, 40@43; Northwestern, 38@39; Rock Island, 86½@87; Ohio and Mississippi, 28@29; Columbus, Chicago and Indiana Central, 20; Western Union Telegraph, 59@60; Pacific Mail, 28@29; Union Pacific, 19@20; Lake Shore, 78@79.

The following telegram from London (England) was also made public:

"Messrs. Clews, Habicht & Co. were notified yesterday by Henry Clews & Co., of New York, that they were safe, and first knew of the suspension of the latter house to-day. They immediately called in their solicitor, and after a consultation decided to suspend payment.

"Their liabilities on account of Henry Clews & Co. are £240,000. Their other liabilities are £64,000. They have assets sufficient to meet their own liabilities, but not those of Henry Clews & Co. Liquidation of affairs depends upon the condition of the New York house."

In the evening matters generally were talked over. Some saw a silver lining visible, others could conjure up nothing save disaster and a frowning future. These latter had been heavy losers in Broad street's stock lottery. The solid men—or those who were solid up to that time—expressed perfect confidence in a calm and peaceful era being about to dawn. But beneath all suspense and anxiety were discernible.

Thursday, the 25th of September, and still the wreck was not cleared away. Rumor was circulated that Vanderbilt's brokers could not meet their contracts, but this was afterward withdrawn. Drew's and Tracy's brokers had also experienced trouble, in fact refused to fulfill contracts on demand, and to add to the tribulation the following notice appeared in the rotunda of the Treasury Department:

"Office of the United States Assistant Treasurer,
New York, Sept. 25, 1873.

"The purchases of bonds at this office are for the present suspended. Thos. Hillhouse, *Ass't Treasurer.*"

Gradually the fact leaked out that over $24,000,000 had been paid out by Gen. Hillhouse, and that the figure to which he was limited had been reached, neither had he power to purchase 5-20s so long as such were offered. It was also announced that the Government would not anticipate the payment of the interest on the bonds of 1874, and added to this the Treasury gold sale was postponed. Then came intelligence that commercial circles were hard pressed. The Broad street open air market still transacted a large business, despite efforts of the police to disperse noisy operators. News of trouble in Chicago, a panic in the South, close times in St. Louis and Cincinnati, arrived, and this combination of threatening circumstances cast a gloom over all classes. Although considerable bullion from abroad was arriving, the express companies reported outgoing averages as largely in excess of receipts. The Adams Express Company reported incoming receipts about $600,000, and outgoing shipments $1,500,000. The United States Express Company reported receipts very small, and outgoes $750,000. The National Express Company reported outgoing amounts three times greater than incoming ones. The American Express reported the outgoes very largely in excess of arrivals.

The following private telegram was received from Washington:

"The Attorney General had a conference with Secretary Richardson relative to the financial crisis. The opinion of the Attorney General was solicited as to the power of the Secretary to redeem the seven-forty bonds due January 1. Without giving an opinion the conference ended. The act of March, 1869, known as 'An act

to strengthen public credit,' says: 'But none of said interest bearing obligations, not already due, shall be redeemed or paid before maturity, unless at such time as United States notes shall be convertible into coin at the option of the holder, or unless at such time as bonds of the United States bearing a lower rate of interest than the bonds to be redeemed can be sold at par in coin.' From this it appeared that the Secretary cannot now redeem bonds due in 1874."

The Governing Committee of the Stock Exchange passed the following resolution, with the subjoined committee to carry it out: Messrs. L. T. Hoyt, Chairman; E. O. Carpenter, C. D. Wood, E. H. Miller, S. T. Lockwood, and H. E. Alexander:

"*Resolved*, That in the judgment of the Governing Committee, the unsettled transactions of the members of the Stock Exchange should be closed; and that with this view a committee of seven be appointed, who shall issue a notice, at what hour they will be prepared to receive statements of stock transactions, to whom it is hereby made the duty of every member of the Exchange to send in a detailed statement of all stocks he has to deliver and receive. On receipt of these statements the committee shall proceed to endeavor to effect a clearance of the same, and for this purpose the committee are hereby clothed with power to incur all necessary expenses."

In the Cotton and Produce Exchanges there was a great deal of excitement. No reply had arrived from Secretary Richardson. It was stated that nearly a quarter of a million of bushels of wheat awaited foreign shipment, the movement of the cotton crop had been retarded, and the situation was grave in the extreme. The following resolutions were passed:

"*Whereas*, The critical condition of the commercial interests of the country requires immediate relief by the removal of the block in negotiating foreign exchange; therefore,

"*Resolved*, That we respectfully suggest to the Secretary of the Treasury the following plans for relief in this extraordinary emergency:

"*First*—That currency be immediately issued to banks or bankers upon satisfactory evidence that gold has been placed on special deposit in the Bank of England, by their correspondents in London, to the credit of the United States, to be used solely in purchasing commercial bills of exchange.

Second—That the President of the United States and the Secretary of the Treasury are respectfully requested to order the immediate payment of the outstanding loan of the United States, due January 1, 1874."

The Gold room was comparatively quiet during the day, prices ranging from $111\frac{5}{8}$ to $111\frac{1}{8}$. On gold loans rates were flat to 7 per cent. for carrying. In the foreign exchange market rates were nominal. Sales were made at 105@105½ for prime 60-day bills, and 105@106 for cable transfers, commercial bills having sold at 102@104. Speculative shares on the street closed as follows: N. Y. C. and Hudson, 80@90; Lake Shore, 73@74; Rock Island, 85@86; Harlem, 107; Western Union Telegraph, 55@57; Northwestern, 40@43; Milwaukee and St. Paul, 29@30; Pacific Mail, 29@30; Ohio and Mississippi, 25@27; Union Pacific, 19 @20.

From the expiration of this day little occurred to alter the general tenor of affairs. It was known that many who were supposed to be tottering had been bolstered up, and the action of the government was awaited with some anxiety. At a meeting of prominent financiers on Friday the following resolutions were passed:

Resolved, That all our efforts should now be directed to the support of trade and commerce, and to promoting the greatest possible efficiency in carrying on the vast exchanges of commodities incident to our bountiful harvest.

Resolved, That we recommend to the banks the maintenance of their union so happily begun, and earnestly request that it shall be supplemented by a joint resolution to discount freely commercial paper of undoubted character, which, on like occasions in 1860 or 1861, so effectually and so promptly triumphed over the insane panic of those insane years.

Resolved, That we have undoubting confidence that the policy of liberal discounting will immediately restore tranquility to the public mind as it did in the years above named, and thus bring to the coffers of the Associated Banks the $13,000,000 of greenbacks paid out by the government within the last few days in exchange for government bonds, which are now hoarded by savings banks and individuals.

Many of the suspended houses, including Clews & Co., Fisk & Hatch, Bank of the Commonwealth, Howes, Macy & Co, announced

their probable early resumption. But from Chicago came intelligence that the Cook County National, the National Bank of Commerce, the Union National, the Manufacturers' National, and the Second National banks had closed their doors, and that option trading on 'Change had been completely stopped.

It was further stated that there were now in store at lake and seaboard ports, or in transit, 22,140,000 bushels of grain, and of this amount 3,120,000 were stored in New York and Brooklyn, awaiting shipment. The difficulty of negotiating foreign exchange had the effect of preventing the forwarding of any considerable portion of this stock of grain to the foreign markets, where a good demand existed for it.

The Governing Committee decided that the Exchange should not be opened until twenty-four hours' notice was given the members. The Loan Committee of the Clearing House issued an additional $1,250,000 of loan certificates, making an aggregate of $18,000,000 thus far issued.

The defalcation of Carlton, the Secretary of the Union Trust Company, was found to amount to $428,500 ; the excess of assets over liabilities, including the capital of the Company ($1,000,000) is $1,217,777.64. The report of the Receiver did much to relieve anxiety in financial circles.

No sooner had a seeming re-action taken place than the poets trimmed their quills. In the *Graphic*, Orpheus C. Kerr poured forth a foot and a half of verse upon the troubles and anxieties of Wall street, from which the following stanzas are selected :

A FABLE OF FINANCE.

BY A BROKEN BROKER.

There was a rich banker in Wall street renowned,
With clerks a small army and desks all around ;
His offices stately presented a mass
Of fancy black-walnut and costly plate glass.

(CHORUS—Properly rebuking impertinent curiosity as to a matter of strictly private concern :

In the banking, insurance or railroading line,
'Tis the custom your rivals in style to outshine ;
But if pressed with the question, Whence cometh the pay ?
I must answer—Ri-tooral, ri-tooral, li-day !)

(Chorus—Explaining how you pay your interest upon the deposits left with you, and yet make a small stake by the generous transaction:

When you gave me your riches to keep till you call,
In a Stock or a Loan do I put them out all.
But supposing Stock falls, or the Loan's lost—you say?
Then it's—Tooral, ri-tooral, ri-tooral, li-day!)

No end of accounts in this manner came in,
Of anxious to save, and of anxious to win;
And ev'ry one said, what a fortune must be
Inclosed in the vaults of this man's treas-u-ry?

At last this rich banker in finances skilled,
With schemes for a Highway most novel was filled;
The same to be called, when its tracks were all laid,
The Huge-Universal-Mid-Bound'ry-Up-Grade.

(Chorus—Coolly setting forth the geography of this great undertaking, and its sources of rich revenue:

'Twas from Pole unto Pole that this Highway should go,
To the great Open Sea of the Arctic, you know:
Many tourists take up, bears and seals bring away,
With a—Tooral, ri-tooral, ri-tooral, li-day!)

(Chorus—Defining the great ease of manner with which aforesaid interest could be paid:

From the money paid down for the Stock, he could meet
All the inte'rest prescribed, till the Road was complete;
And, at last, if the work didn't happen to pay,
Why the Shares were—Ri-tooral, ri-tooral, li-day!)

With praise of the scheme ev'ry paper was full,
And each money-editor in it a "bull;"
'Twill greatly Develop Our Country, they said.
And show if John Franklin's alive or is dead.

The banker's depositors caught at the thing,
And cried, let us into this gold-bearing ring:
And so did the people all over the land,
Who other stocks had, or the money, on hand.

(Chorus—Expressive of the childlike trust reposed in the wisdom and honor of the Few by the Many:

If a few wealthy men of good mercantile fames,
To an enterprise lend their respectable names,
It must surely be just what its managers say—
Or the signers are—Tooral, ri-tooral, li-day!)

Then ten Savings Banks purchased Shares in it, too,
And banks of all kinds bought the Stock as it grew;
And model Trust Companies took it in trade—
This Huge-Universal-Mid-Bound'ry-Up-Grade.

At last there were millions invested therein,
And waiting for trips on the Road to begin,
When some one discovered, and told, with a bawl,
No road of the kind had been builded at all!

Down tumbled the Stock, with a rush, at the sound,
And banks, brokers, buyers, in frenzy were found;
And when to the banker the multitude went,
They found he'd "suspended" and paid not a cent!

Whilst another Parnassian soarer thus plaintively sang in the columns of the *World:*

A LEGEND OF THE NORTHWEST.

A Jay-bird said unto Daniel Drew: "Buy up Erie—I'll see you through.
Buy it strong, buy it long,
And we'll 'sing the streets' with my little song;
We'll 'skin the streets' with our tricks that are mean, and we'll 'corner' the 'shorts' a bit, I ween."

So Gould appeared unto Daniel Drew, lik a mine of Gould without the "u;"
Like a mine of gold, with his project bold,
And the song that he sung, and the tale he told;
And Drew bought Erie, early and late, eagerly taking the tempting bait.

But Erie went up, and little he thought that Gould was selling the Erie he bought;
So he bought it strong, and he bought it "long,"
And Gould "unloaded"—so runs the song:
Spouting his stocks with "his uncle" so, was a cleverish sort of trick, you know.

And again the Jay-bird sang his lay, (warbling his matin song for pay),
"Northwest you ought to sell out 'short,'
It's sure to drop, and we'll see the sport."
"It oughter be safe," says Uncle Dan, "and we'll 'skin the street' with our little plan."

"We'll cover our tracks in Erie best, with a sort of feint in faint Northwest."
"That's very true," says Daniel Drew.
And again he saw Gould without the "u."
So Daniel conned o'er his morning sausage the shortest course through the Northwest passage.

Nor'west rose, and Daniel was short; there was none to be borrowed and none to be bought.
With never a rest, they shouted their best,
"Two hundred and thirty is bid for Northwest."
And one asked Daniel, "How's this for biz? Is Nor'west risin'?" Quoth Daniel, "It's riz."

So Daniel "lay down" in the lion's den, and many a squeal he sqole; but then
He said, "I've been sold by a Jay-hawker bold,
With the songs that he sung and the tales he told—
A spellin' lesson I'll learn for true, I'll never spell Gold again with 'u.'"

And whilst they were singing, aching heads were bowed beneath the great troubles of the pending ten days; men who had counted their hundreds of thousands could scarce pile together in their own right enough to pay a month's rent. The blow had stricken many who little anticipated being brought to want and beggared in a week. Still each looked forward to a more prosperous future.

The decision of the Governing Committee of the Stock Exchange to open the Board the following Tuesday, caused a cheerful feeling, stocks in the street rising to the following quotations :

N. Y. C. & Hud	90	@	92	Ohios	30	@	—
Erie	50	@	55	Western Union Tel	61	@	—
Lake Shore	72	@	—	Wabash	42	@	—
Northwestern	45	@	—	Union Pacific	20	@	—
Rock Island	87	@	—	C., C. & I. C	21	@	—
Pacific Mail	31	@	32	Harlem	106	@	110
St. Paul	29	@	30				

Monday, the 29th day of September, opened under a brighter sky, the chief item of importance being the adoption of the following resolutions by the Governing Committee of the Stock Exchange:

"*Resolved*, That nothing in the action of the Governing Committee of the Stock Exchange shall be construed as absolving any member from obligations to the rules.

"*Resolved*, That all parties to existing unsettled contracts who were solvent at the close of the Stock Exchange, but who shall refuse to surrender a satisfactory principal, or furnish a margin in cash or securities, shall be regarded as insolvent.

"*Resolved*, That so much of article 25 of the by-laws as authorizes an officer of the board to close contracts of parties in default be suspended as to existing contracts during three days after the opening of the Exchange. The President shall appoint a committee of three, which shall be in session from 2:15 until 2:45 o'clock, to determine on an equitable market price to which margins shall be made to conform, and also to determine the market price at which the contracts of defaulting parties shall be settled.

"*Resolved*, That all contracts shall be settled by checks, certified as good through the Clearing House, but where a check is tendered upon a bank which is not satisfactory the parties must agree upon what shall be satisfactory, but no demand for greenbacks or currency shall be allowed."

It was also resolved that all Government coupon bonds on which interest is payable Nov. 1, shall be called ex-coupons.

The following were street quotations of stock :

	Bid	*Asked*		*Bid*	*Asked*
Chicago & Northwestern	—	44	Milwaukee & St. Paul	34½	35
Chic. & Northwest., pref	67	—	N. Y. Central	91½	92
Chicago, R. I. & Pacific	91½	—	Ohio & Mississippi	29½	30
Col., Chic. & Ind. Central	22¼	23	Pacific Mail	34	35
Erie	51	53	Toledo, Wabash & Western	44¾	45
Harlem	111	112	Union Pacific	21	22
Hannibal & St. Joseph	24	25	Western Union Tel	68¼	69
Lake Shore	75	76			

Tuesday, the 30th day of Setember. The following letter was received from the President, but did not appear to exercise any noticeable influence upon financial circles:

"Executive Mansion, Washington, D. C., Sept. 28, 1873.

"*Messrs. H. B. Claflin and Chas. L. Anthony:*

"Gentlemen—In response to the views you have communicated to me touching the present stringency in the money market of the country, and the necessary steps to restore confidence and legitimate trade and commerce, I have the honor to communicate the following:

"The Government is desirous of doing all in its power to relieve the present unsettled condition of business affairs, which is holding back the immense resources of the country now awaiting transportation to the seaboard, and a market. Confidence on the part of the people is the first thing needed to relieve this condition, and to avert the threatened destruction of business, with its accompanying disasters to all classes of the people. To re-establish this feeling the Government is willing to take all legal measures at its command, but it is evident that no Government efforts will avail without the active co-operation of the banks and moneyed corporations of the country.

"With the fourteen millions already paid out in the purchase of the Government indebtedness and the withdrawal of the large deposits from the Treasury, the banks are now strong enough to adopt a liberal policy on their part, and by a generous system of discounts to sustain the business interests of the country. Should such a course be pursued, the fourty-four millions of reserve will be considered as money in the Treasury to meet the demands of the public necessity as the circumstances of the country may require. Close attention will be given to the course pursued by those who have the means at their command of rendering all the aid necessary to restore trade to its proper channels and condition.

"With a view of strengthening the hands of those who carry out the measures above indicated, orders have already been issued for the pre-payment of the interest accruing in November.

"U. S. Grant."

The following from the Secretary of the Treasury conveyed his views with regard to the issue of currency on special gold deposits

in the Bank of England, and the prepayment by the Government of bonds due on the 1st of January, 1874:

TREASURY DEPARTMENT, WASHINGTON, Sept. 30, 1873.

Franklin Edson, President of the New York Produce Exchange:

SIR: Your letter of the 29th instant, covering two resolutions of the New York Produce Exchange, has been received, and the subject matter fully considered. The resolutions are as follows:

WHEREAS, The critical condition of the commercial interests of the country requires immediate relief by the removal of the block in negotiating foreign exchange; therefore be it

Resolved, That we respectfully suggest to the Secretary of the Treasury the following plans for relief in this extraordinary emergency:

First, That currency be immediately issued to banks or bankers, upon satisfactory evidence that gold has been placed upon special deposit in the Bank of England by their correspondents in London to the credit of the United States, to be used solely in purchasing commercial bills of exchange.

Second: That the President of the United States and the Secretary of the Treasury are respectfully requested to order the immediate prepayment of the outstanding loan of the United States, due January 1, 1874.

While the Government is desirous of doing all in its power to relieve the present unsettled condition of business affairs, as has already been announced by the President, it is constrained in all its acts to keep within the letter and the spirit of the laws which the officers of the Government are sworn to support, and they cannot go beyond the authority which Congress has conferred upon them. Your first resolution presents difficulties which cannot be overcome. It is not supposed that you desire to exchange coin in England for United States notes in New York at par. If your proposition is for the Government to purchase gold in England, to be paid for in United States notes, at the current market rate in New York, it would involve the Government in the business of importing and speculating in gold, since the Treasury has no use for coin beyond its ordinary receipts, and would be obliged to sell the coin so purchased at a price greater or less than was paid for it. If your object is to induce the Treasury Department to loan United States notes to banks in New York upon the pledge and deposit in London of gold, it is asking the Secretary of the Treasury to loan the money of the United States upon collateral security, for which there is no authority in law. If the Secretary of the Treasury can loan notes

upon a pledge of coin, he can loan them upon a pledge of other property in his discretion, as he has recently been requested to do, which would be an extraordinary power as well as a most dangerous business to engage in, and one which my judgment would deter me from undertaking as the Secretary of the Treasury, even if by any stretch of construction I might not find it absolutely prohibited by law. The objections already mentioned to your first resolution are so insuperable and conclusive that it is unnecessary for me to refer to the many practical difficulties which would arise if an attempt should be made to comply with your request. Your second resolution calls for the payment at once of the loan of 1858, or the bonds commonly called "Fives of 1874." Upon a thorough investigation I am of opinion that Congress has not conferred upon the Secretary of the Treasury power to comply with your request in that particular, and in this opinion the law officers of the Government concur. Under these circumstances you will perceive that while I have great respect for the gentlemen composing the New York Produce Exchange, I am compelled by my views of the law and my duty to respectfully decline to adopt the measure which your resolutions propose. I have the honor to be, very respectfully,

William A. Richardson,
Secretary of the Treasury.

The Stock Exchange was opened in due form, shortly after nine o'clock, by President Chapman. Of course there was a rush, and the members overflowed with excitement. The President welcomed them, and hoped good temper would prevail. A committee consisting of Salem T. Russell, John Ten Broeck, and R. B. Hartsorn, was appointed, in accordance with the resolutions of the Governing Committee.

At a few minutes to 3 the Chairman introduced A. N. Bayliss, who was empowered, informally, to submit a report. Mr. Bayliss said they had carefully investigated and considered all the cases that had come before them, and he was happy to say they had satifactorily adjusted every difficulty, and had not one delinquent member or a solitary failure to report.

Cheer followed cheer upon this announcement, and "the boys" were truly happy. Intelligence was also received that the Cook County National Bank of Chicago had resumed, and other banks would follow. It would doubtless be of interest to append quotations of stock on the 20th, the period upon which the Exchange closed, together with those of the opening day:

	Closing. Sept. 20.	*Opening. Sept.* 30.
Chicago and Northwestern	40c	43½c
Chicago and Northwestern pref	70c	67c
Chicago, Rock Island and Pacific	88c	90c
Col., Chicago and Indiana Central	19c	22c
Delaware, Lackawanna and West	89	—
Adams Express	86c	—
American Express	59	57
United States Express	51	—
Wells, Fargo & Co. Express	—	56
Erie	53½c	52c
Harlem	103c	115c
Hannibai & St. Joseph	22¼c	24
Lake Shore	83	77
Milwaukee and St. Paul	32¾c	35½
Milwaukee and St. Paul pref	58	57½c
New York Central	91¼ c. u. r.	92¼c
Ohio and Mississippi	27¼	29½
Pacific Mail	32c	35c
Panama	90	—
Quicksilver	—	18c
Toledo, Wabash and Western	41c	50
Union Pacific	18c	21c
Western Union Telegraph	59½	68¼c

The following were the quotations for stocks on the 17th, previous to the suspension of Jay Cooke & Co.:

			Closing.	
	Highest.	*Lowest.*	*Bid.*	*Asked.*
Atlantic and Pacific pref	21	20⅜	20½	20¾
Boston, Hartford and Erie	2¼	2⅛	2⅛	2¼
Chicago and Northwestern	57½	50	52½	52⅞
Chicago, Rock Island and Pacific	103½	100⅝	101⅝	101¾
Col., Chicago and Indiana Central	28⅛	26	26⅜	27
Delaware, Lackawanna and Western	98	98	97	98
Adams Express	90	90	89	90
American Express	—	—	61¼	62
United States Express	—	—	65	66¾
Wells, Fargo & Co.'s Express	—	—	71	71½
Erie	57	55⅛	55½	55⅝
Harlem	128½	128	127	127½
Hannibal and St. Joseph	32	30	30	31
Hannibal and St. Joseph pref	—	—	—	45½
Lake Shore	91	90⅛	90¼	90⅜
Milwaukee and St. Paul	45¼	41¾	43	43¼
Milwaukee and St. Paul pref	68	67¼	67½	69
New York Central	103⅞	*99	103	103⅛
New Jersey Central	102½	101½	101¼	—
Ohio and Mississippi	37⅛	35⅜	36	36⅛
Pacific Mail	43¼	41⅝	42	42⅛
Panama	115½	113½	113	114
Quicksilver	30	29	29	29⅛
Quicksilver preferred	—	—	30	—
Toledo, Wabash and Western	59¾	54	55½	55⅝
Union Pacific	24⅛	23½	23⅝	23¾
Western Union Telegraph	89	87½	88	88⅛

*Ex-dividend 4 ℔ cent.

The state of the money market on the 10th of October, in New York, is estimated in the following summary: Greenbacks were quoted at from $\frac{1}{2}$ to 1 per cent. premium over certified checks, therefore the price of gold quoted at $1.09 in certified checks was really a trifle over $1.08 in greenbacks, and the gold value of greenbacks was 92$\frac{1}{2}$c. The gold price of fractional silver coins of the United States was down from 90 to 92 cents on the dollar. Silver coins were, therefore, from $\frac{1}{2}$ to 2$\frac{1}{2}$ per cent cheaper than greenbacks.

The following table indicates the course of gold on the day succeeding the panic, and each day subsequent, to-wit:

		Quotations. Opening.	Lowest.	Highest.	Closing.
Wednesday,	Sept 17	$111\frac{1}{4}$	$111\frac{1}{8}$	$111\frac{3}{4}$	$111\frac{3}{8}$
Thursday,	" 18	$111\frac{1}{4}$	$111\frac{1}{4}$	$112\frac{7}{8}$	$112\frac{3}{8}$
Friday,	" 19	$112\frac{1}{2}$	$111\frac{1}{2}$	$113\frac{1}{8}$	$111\frac{3}{4}$
Saturday,	" 20	$111\frac{1}{4}$	$111\frac{1}{8}$	$112\frac{5}{8}$	$111\frac{1}{8}$
Monday,	" 22	(The Gold Exchange was closed, and 112 was the rate fixed as a basis for settlements.)			
Tuesday,	" 23	112	$111\frac{3}{8}$	$112\frac{1}{4}$	$112\frac{1}{8}$
Wednesday,	" 24	$112\frac{1}{8}$	$111\frac{3}{8}$	$112\frac{1}{8}$	$111\frac{3}{8}$
Thursday,	" 25	$111\frac{5}{8}$	$111\frac{1}{8}$	$111\frac{5}{8}$	$111\frac{3}{8}$
Friday,	" 26	$111\frac{1}{2}$	$111\frac{1}{2}$	$114\frac{3}{8}$	114
Saturday,	" 27	$114\frac{1}{4}$	$113\frac{1}{4}$	$115\frac{1}{2}$	$113\frac{1}{4}$
Monday,	" 29	$113\frac{1}{4}$	$111\frac{3}{4}$	$113\frac{1}{4}$	$112\frac{3}{8}$
Tuesday,	" 30	$112\frac{3}{8}$	$111\frac{3}{4}$	$112\frac{1}{2}$	$111\frac{1}{2}$
Wednesday,	Oct. 1	$111\frac{1}{8}$	$110\frac{1}{2}$	$111\frac{1}{4}$	$110\frac{3}{4}$
Thursday,	" 2	$110\frac{7}{8}$	$110\frac{1}{2}$	$110\frac{7}{8}$	$110\frac{1}{2}$
Friday,	" 3	$110\frac{3}{8}$	$109\frac{3}{4}$	$110\frac{3}{8}$	110
Saturday,	" 4	110	$109\frac{3}{4}$	......	$110\frac{1}{8}$
Monday,	" 6	110	$110\frac{1}{4}$	$109\frac{7}{8}$	$110\frac{1}{8}$
Tuesday,	" 7	$110\frac{3}{4}$	$110\frac{3}{8}$	$110\frac{1}{8}$	$110\frac{1}{8}$
Wednesday,	" 8	$110\frac{1}{4}$	......	......	$109\frac{5}{8}$
Thursday,	" 9	$110\frac{1}{8}$	$109\frac{5}{8}$	$110\frac{1}{4}$	$109\frac{3}{4}$
Friday,	" 10	109	$108\frac{3}{4}$	......	$108\frac{5}{8}$
Saturday	" 11	$108\frac{1}{4}$	......	......	$108\frac{1}{8}$
Monday,	" 13	$108\frac{1}{8}$	......	......	$108\frac{1}{2}$

Later in the week, Peak, Opdycke & Co., and Paton & Co., wholesale dry goods merchants, suspended—asking an extension; but other firms were resuming, and as the feeling in commercial and financial circles became easier, as failures were less frequent, and the banks promised, in a short space of time, to resume legitimate transactions, men talked over the panics of former times, and to inflated speculation could be traced many, if not all, the financial disturbances of past years, coupled with the fact that those in high

positions, officials who were placed at the head of great banking institutions, by their actions had first sapped public confidence and hurried the grave misfortunes which had become matters of history. In 1812 the war ushered in an era of speculation; treasury notes were issued in almost unlimited amounts, aggregating fully $16,000,000, and loans amounting to $109,000,000 placed; over two hundred banks, with a representative capital of $82,000,000 distributed their favors; but upon the declaration of the Peace of Utrecht scores of banking houses failed, sweeping away $40,000,000; then in 1817 the New York Stock Exchange came into existance, and shortly after this (1825) "margin" transactions became popular, water works, banking institutions and canal projects flourished. In Great Britain fully 600 joint stock companies were organized, and paid from ten to twenty per cent. Over $200,000,000 worth of canal, railroad and other bonds were floated, and every man seemed to have lots of money or a project which would yield it *ad libitum*. But in 1834 financial circles were crippled, the money market stringent, and failures took place faster than they could be recorded. The banks loaned $60,000,000, over $13,000,000 more than usual, and still speculation continued. Credit was the great panacea for human and financial ills; millions upon millions of dollars were paid out for government lands and the money again loaned; then came a wretched harvest in 1836, and throughout the avenues of trade a hardening stringency; real estate flattened out, and losses amounting to hundreds of millions followed. Over $130,000,000 were sunk in the collapse of sixteen banks, and in an incredibly short space of time universal bankruptcy seemed imminent. The prime causes usually assigned for the panic of 1837 were the Bank of England in 1836 requiring payment from the American houses in London, and the passing of the "Surplus Revenue" bill by Congress, which latter had the effect of causing the bank credits, which represented the surplus revenue, to be transferred from place to place without any regard to the laws of trade, thus rendering it necessary for the banks, in May, 1837, to stop payment. Bank notes depreciated from twelve to twenty-five per cent. During the remainder of 1837 and in 1838 the excess of specie imports over exports was $18,000,000, of which a part was sent by the Bank of England to enable

the American banks to resume. In May, 1838, the banks of New England and New York resumed and continued to pay specie. In the August following the banks of Philadelphia proposed to pay specie, and by January, 1839, there was a nominal resumption of payment throughout the country. October, however, of the same year, the Philadelphia banks suspended a second time, resumed in January, 1841; suspended a third time the 4th of the February following, and did not permanently resume till March of 1842. In 1837 there was 788 banks in the country, employing a capital of $290,000,000. In the great revulsion of 1837, too, the losses were more diffused, because the shrinkage in values embraced general merchandize and real estate as well as paper securities, and carried down most of the banks and bankers of every degree. The failure at that time of the rich Jews, Messrs. Josephs, then a famous banking house, is a well-remembered incident. Mercantile houses suspended so rapidly that it was impossible to record their names. The notes of the best merchants had been selling at two to four per cent. per month for some weeks, until finally they could not be sold at all. Stay laws followed, and the era of paper currency and new State securities. The resumption of specie payments by the New York banks was secured through a loan of five million dollars made by the Bank of England two years later. The events which culminated in the misfortune of 1857 began their influences as early as 1853 and 1854, and to a certain extent were connected with railroad speculation. The country was rich, trade lively and there was a surfeit of gold and currency. In the New York Stock Exchange the credit of brokers was great. They could draw checks on accommodating banks for ten times the amount of their deposits, which were promptly certified by paying tellers. Banks relaxed their scrutiny of securities in their eagerness for call loans, and the weekly average of loans on promissory notes and stocks was from ninety-five to a hundred millions. Five and six per cent. was current interest in New York, while in London capital could not command more than one and a half or two per cent. per annum. England became largely interested in American securities. There was a universal demand for bonds, as they yielded gold interest. Then came rumors of war on the continent. The English capitalists became timid and returned their securities

for realization. Breadstuffs advanced. Deposits decreased. Heavy importations became due, and a little later the banks were absolutely forced to calling in of loans. Stocks now fell rapidly. The year 1854 offered anything but a prospect of relief. Immense issues of fraudulent stock were discovered; 20,000 illegal shares of a great railroad running out of New York had been sold at par by one of its principal officials; $300,000 worth of forged stock of another company was on the street; there were minor branches of trust by the score, and suspicion filled the air. Several Western banks, and a few in this neighborhood, suspended. The depression of prices was enormous. Reaction followed in 1855. Those who dared to buy at the low prices of 1854 made fortunes. Crops were good, the older railroads paid handsome dividends, and the bonds of new competing lines were in great demand. Then after the banks had loaned over $20,000,000 on such securities, a panicky feeling was gradually developed, the banks endeavored to contract, and the bubble burst. The wisest had seen no indications of an approaching storm. On the 8th of August the loans had reached the unprecedented aggregate of $122,000,000. On the 24th of the month the news of the suspension of the Ohio Life Insurance and Trust Company, of Cincinnati, startled every one. The days of 1837 seemed once more at hand. Stocks and commercial paper were at once sacrificed at ruinous rates, other failures were announced, and rumors exaggerated each calamity. The Clearing House report for August 29—the first after the suspension of the Trust Company—showed a reduction of $4,000,000 in the bank loans for the previous week. A defalcation was announced on the same day of $70,000 in one of the associated banks, and so great was the general mistrust that other institutions immediately became suspected of similar dishonesty. Street rates for money rose to four and five per cent. a month. Commercial house after commercial house, bank after bank, succumbed to the panic. The failure of the Bank of Pennsylvania, in Philadelphia, was followed by that of the other banks of that city, and by those of Baltimore and of the Southern Atlantic States generally. Merchants, bankers, moneyed corporations, and manufacturing companies were swept down without distinction. The purchase and transportation of produce entirely ceased. And the

climax was reached when, on the 14th of October, the bank suspensions of New York and New England took place. Depositors stood well by their guns, and not till the 26th of September did they begin to be alarmed. For the five successive weeks preceding they withdrew less from the banks each week than the banks withdrew from them by the depression of loans. But when October came, resistance seemed at once to cease to be a virtue, and on the 3d of that month a marked change came over the spirit of the depositors. Over four millions of deposits were withdrawn in the seven days following, and over fourteen millions in the next twenty. The 14th of October was the date of the banks' suspension. The universally accepted cause for the panic of 1857 was the violent contraction of bank loans immediately after the 24th of August.

In the panic of 1857, too, the notes of the strongest houses, like Moses Taylor & Co., and Spofford & Tileston, sold at a discount of 4 to 5 per cent. per month, while railroad bonds that have since been redeemed, principal and interest, were disposed of in the midst of the excitement at 20 cents on the dollar. One of the largest banking houses, that had drawn upon George Peabody, in London, for $1,500,000, sent over a special messenger, with a portmanteau full of depreciated and unsaleable bonds of the face value of just that amount, and informed him that he must protect his acceptances as best he could. That was all they could do. This was the occasion on which Mr. Peabody, frightened out of his propriety by the unexpected announcement, made a statement of his affairs to the Bank of England, and, in the midst of a panic also prevailing in London, borrowed a sufficient sum to pay all his maturing acceptances upon the supposition that none of his American correspondents would put him in funds to meet their drafts.

There are those who predict—and not unreasonably—a severely stringent period, if not a commercial depression bordering upon a crisis. President Grant, however, is reported to have expressed an opinion that in passing events the speedy resumption of specie payment could be seen; he thinks the government purchase of bonds and the aid thus given will exercise a moral effect; and as there has been the shrinkage of values usually preceding resumption of specie payment, anticipates national benefit from the panic. Advices

on Monday, the 13th of October, quoted No. 2 wheat at Chicago \$1@1.01½, with somewhat inactive market. Twenty of the leading banking institutions of that city had united in requesting the President and Directors of the Union National Bank (suspended) to resume business. The closing of this bank locked up \$1,300,000 of Chicago banking facilities. Cincinnati reported resumption of currency payments, and St. Louis an easier feeling. In New York the failure of P. H. Stevens was announced. Blake & Co. were permitted to sell securities for money loaned to G. B. Grinnell & Co., (insolvents,) comprising Lake Shore and Michigan Southern sinking fund bonds. Western Union closed at 58, Pacific 31⅞, N. Y. Central 88⅜, Erie 46, Lake Shore 65¾, Union Pacific 18⅜, Northwestern 40½, Rock Island 88¾, Wabash 42¾, Harlem 1.09¾, Columbus, Chicago and Indiana Central 24. A dispatch from London (Eng.) announced that fully \$1,500,000 bullion had been drawn from the Bank of England and sent to the United States, besides \$500,000 two days before. From Berlin came intelligence of several heavy failures. Gold closed at 1.08⅜.

On the 14th, the Union National Bank of Chicago resumed; the failure of Burgen, Hurlburt & Livingstone, sugar dealers, of New York, was announced, and gold quoted at 1.08⅝. Stocks were down from 5 to 1 cent below quotations of the 13th, and large arrivals of bullion reported.

The writer and compiler of these pages would acknowledge the gleaning of much valuable information from records of the panic days made by the reportorial staffs of the *Tribune*, *Sun*, *World*, *Financial Chronicle* and *Herald*, more particularly the two former journals. He has endeavored to faithfully portray, in a limited space, the events which transpired during this most exciting occasion. Much is left unwritten that would have proved of interest, but the chief points forming a reliable reference record will be found in every way worthy of confidence. To the banker, who doubtless believed he was benefitting his customers whilst doing that which he had no legal right to do—namely, the certification of checks for those who desired to speculate on margins—this crisis should teach discretion, conservatism and caution; to the dabbler in railway stocks it should be a constant warning, and to those who were

willing to risk hard-earned fortunes in floating immense railroad enterprises, it should teach the stern truth that a liberal-spirited people are fully capable of appreciating the necessities of great national undertakings, and that when the times are ripe for such they will be carried through; but that the forcing of such schemes must result in ruin and disaster, both to the projectors and those who countenance them ; and whilst people philosophically shake their heads at the downfall of great banking houses, and extemporize homilies upon disasters occasioned by an inflation of securities, and the mad zeal with which men strive to reach the goal of mammon in order to secure hurriedly amassed fortunes, the writer can but hint that if such would but turn their attention to reforming the rascally officials of banking institutions; if they would endeavor to secure the punishment and expulsion from society of men who day after day rob the vaults of institutions under their control ; if they would see to it that defaulters and gamblers are not allowed to go scot free, whilst men like Jay Cooke, Henry Clews, Fisk & Hatch, Vanderbilt, and Gould, are made targets of—their homilies and sermons would prove not only more effective, but infinitely more appropriate; and to the men who were guilty of malfeasance in office, who used the funds of the banks for personal aggrandisement, and proved that, whilst it was not their duty, it was still their privilege to be dishonest—to these may be traced the sudden withdrawal of public confidence in American banking institutions and the hastening of the disasters herein chronicled.

The lesson has been taught before; but amid the gay whirl of dissipation, or hurried along in the maelstrom of mad speculation, men forgot its significant suggestions or heeded not the warning given with such bitter emphasis, forced home with such significant results. Easy natures attributed each panic to some ulterior cause for which they were not and could not have been held responsible. It was railways, inflated currency, or an idiotic public unreasonably losing confidence in banking institutions. The same cry, the same tear-bedewed excuse is noticeable on the present occasion; men boldly assert that the manipulators of railway bonds are responsible for the "flurry," as some call it. But the honest outspoken man will say, "It was a terrible panic—caused by those who were

ambitious in the race for wealth; it was a panic which left deep furrows upon the financial representatives of a great nation. It was a panic caused by thieves in high places, hastened by well-dressed society robbers, too proud to work, but too dishonest to deny themselves or their families that which for a time might excite the envy of neighbors or win the applause of a city. It was a THIEVES' PANIC, created by those totally indifferent as to State, local or national debts, so long as they amassed fortunes by risking the hard-earned savings of others. It was a panic instituted, to a great extent, by defaulters, whose barefaced robberies startled the public, and caused every man who owned a dollar deposited in a bank to ask—who next?"

Will the country be warned by the disasters of September, 1873? Will stockholders see to it that none save honorable officials with spotless records are elected to control the banking, railroad and municipal interests of the nation? Will electors see to it that legislatures are purified and Congress elevated? Will society look more to national greatness, national solvency—than to national display and national vanity? Will men learn to live within their means? Will they be convinced that extravagance leads to theft and bankruptcy, and theft and bankruptcy to dishonor? Will the gay daughters of fashion learn discretion and economy, and the jewel-bedizened frequenter of gambling hells turn from the shrine of Satan to the God-like sanctury of Labor? Will the fierceness of Tumult give place to the ecstacy of Peace—and men discover that the gilded pleasures of debauchery, drunkenness and reckless speculation, end in deplorable ruin, wrecked constitutions, shattered fortunes? Will they forsake the haunts of wickedness, and crush out the thousand vices which are gradually undermining many a proud business house, and with calm minds, cool brains, brave hearts, unite in decreasing the national debt and increasing national solvency? Then not in vain will have been taught the lesson of the PANIC OF 1873!